Canada's New Socialist Party
See "The Nation's Business" Column

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 16

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The Nation's Business

Dangers as Well as Strengths in Inflation
Canada's New Socialist Party
Offers Nothing to Middle Class Taxpayers

Credit Inflation Sound and Unsound

INFLATION to replace our circulation or credit money that has been squeezed out by a process of super-deflation is one thing and properly managed may be a good thing.

Inflation to put a government in possession of paper money to pay for unwarranted expenditures is another thing and invariably dangerous. Equally dangerous is inflation that raises costs in one country out of line with world prices.

Where the government's recent reflationary programme was a help to business was in the degree to which it measured up to the first standard.

Where the unfavorable consequences did or will arise is in the degree to which investors here and abroad fear that it was the first step in a programme of meeting government obligations by printing money.

* * *

CANADA and its provinces have an exceedingly difficult problem before them in 1933 and 1934. There is nothing to be gained by minimizing the importance of the dilemma that is facing the country. The maturing bond issues that must be refunded and the new loans that must be issued to meet deficits add up to a total that seems beyond the digestive powers of the combined money markets that are open to us. The last Dominion loan in New York was not easily arranged. The last domestic loan went over only when it became a coercion loan. British money can be brought over only at a considerable exchange loss.

Four courses, only, are open to us.

One: To borrow. This we have seen may not be possible to the degree we hope and it is a form of inflation that postpones final reckoning.

Two: To balance governmental budgets and thus reduce the minimum amount of borrowing necessary.

Three: To inflate our currencies and print the money to pay our bills. This avenue of escape is available only to the central government and it spells insolvency for the provinces, which have contracted to pay a high proportion of their charges, not in paper money, but in gold, which has to be purchased at a high premium.

Four: To default and admit that we have borrowed more than we can repay.

* * *

SINCE continued borrowing has its limitations as well as its essential weaknesses; since deliberate inflation is a form of confiscation little less dishonest than default; since default is to be avoided if at all possible; it would seem that there is only one road open to the Dominion and the provinces, namely, the second one mentioned above—such drastic curtailment of all governmental expenses that budgets can be made to balance.

* * *

Canada's New Third Party

CANADA has a new third party. With the support of the United Farmers of Ontario promised, the Co-operative Commonwealth Federation acquires new and broader importance. If the purposes of the new agrarian-labor party are to be judged from the speeches delivered in Toronto, it is a mild-mannered and only half-Socialist party that abhors the redder aspects of radicalism as keenly and sensitively as the most bloated of capitalists. But then the C. C. F. must be judged not only by what its sponsors are saying in Toronto, stronghold of Reform Conservatism, but also by what they are saying in Western Canada, where a stronger brand of Protest Politics is preached by farr and labor "leaders" to whom mere Progressivism is old stuff. But between the outright Communism preached at some recent meetings of the United Farmers of Canada, Saskatchewan section, and at some Western labor meetings, and the "bloodless revolution" talked of in Toronto lies the basic concept of the new party.

* * *

ITS obvious appeal is to those people who have seized upon Socialism as the way out; those people who are discontented for good reasons — possibly because they have lost their jobs, or their

(Continued on page 2, col. 3)

AV'GE VALUES ARE APPROVED FOR INSURANCE

Commissioners at New York Make Important Decision

IGNORE MARKET

Similar Action by Canadian Jurisdictions Thought Likely for 1932 Statements

From Our Own Correspondent

NEW YORK. — Recognizing the principal that market prices of securities during boom and depressions on any particular day do not reflect true values, the National Convention of Insurance Commissioners of the United States, in annual convention here this week unanimously adopted average values based upon the range of the market over a period "not too remote."

The committee on valuations of securities of the United States Commissioners is headed by Hon. George S. VanSchaick, New York Superintendent of Insurance and was supplemented by two members of the Association of Superintendents of Insurance of the Provinces of the Dominion, R. Leighton Foster, Ontario Superintendent of Insurance and B. Arthur Dugal, Superintendent of Insurance for Quebec.

Adopts 1931 Valuation

After an exhaustive study of market conditions extending over many years the convention in its resolution unanimously agreed that the convention values of 1931 were indicative of a fair value of securities at the present time and recommended that these values be adopted for the 1932 statements of life and other insurance companies. It is anticipated that the same basis of valuations will be adopted by the Canadian authorities.

The term "convention values of 1931" is the phrase commonly applied to the basis of valuation adopted last year by United States insurance jurisdictions and adopted also with modifications by Canadian insurance authorities. Roughly this plan allowed insurance companies to value their holdings of securities for balance sheet purposes not at the market values prevailing on the last day of the year as had been customary but rather on a valuation which "averaged" the price of securities over the five quarters prior to September 30, 1931. It was found, however, that this "average valuation" coincided identically with the market value of securities as at June 30, 1931, so for purposes of convenience the date June 30, 1931, was chosen as the basis of the average values for 1931 annual reports.

Action of the United States commissioners means therefore that virtually the same basis of valuation as was used last year may be again adopted for 1932. Incidentally it is understood that whereas the June 30, 1931 valuations represented a year ago the average valuation for the five quarters preceding September, 1931, the same valuation now represents an even broader "average" namely 13 quarters up to and including September 30, 1932.

Securities in Default

One new feature of the 1932 valuation basis adopted by the commissioners is that stocks and bonds of corporations in default shall be valued on the 1931 convention basis, less 30 per cent of the difference between such convention value and the market quotations of Dec. 1, 1932, unless the value of such securities has been heavily depleted or disappeared to such an extent that a lower value is required.

The main clauses of the resolution recommended by the committee and unanimously adopted by the convention, follow:

"(1) Whereas since the enquiry conducted last year by the National Convention of Insurance Commissioners as to whether market price quotations of stocks and bonds on any particular day are indicative of the fair value of such securities. excep-

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Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

Canada's New Socialism

It talks of bloodless revolution but offers nothing but an extension of the popular post-war practice of redistributing wealth by taxation. Its aims are discussed in The Nation's Business column of The Financial Post this week. Page 1.

News of Grain

Articles on wheat, of interest to every business man and investor, on The Financial Post's new grain and milling page. Page 13.

Press Backs Beatty

A survey of editorial opinion from coast to coast finds Duff Commission's arbitral tribunal much in disfavor. Page 9.

Exchange and Trade

Canada's currency is at a premium in about half the trading countries; at a discount in the others. How our trade is effected. Page 9.

Brazilian

An investment in Brazilian Traction is a lock-up in Brazil's economic joys and sorrows. Its future possibilities discussed. Page 11.

The Banker's View

Canada needs no Central Bank, so bankers declare. One of Canada's best informed bankers takes up the discussion and the first of his articles appears this week. Page 9.

Prairie Sales

An estimate of what the different areas in the Prairie Provinces will have to spend this year. Page 13.

Teck-Hughes

D. H. L. Forbes, president, in interview with The Financial Post tells of company's search for further ore. Page 16.

LAURA SECORD LOWERS PRICE EXPECTS GAIN

Experience of Fanny Farmer in U. S. May be Duplicated

Announcement by Laura Secord Candy Shops Ltd., of a reduced price on candy sold in lots of two pounds and upwards, effective from December 7, has been made in face of an excellent earnings statement for the year ended September 30 1932, when shares earned $4.89, and prospects for an increase of some 15 per cent in Christmas trade as compared with that of 1931. As a result of the new reduction in price, officials of the company expect an increase of some 25 per cent in sales. While profit per pound will be less, it is possible, through increased sales volume, that earnings will be increased.

In September, 1931, the price of Laura Secord Candies was dropped from 60 cents to 50 cents per pound, a reduction of 16 2/3 per cent. Dollar volume of sales in the fiscal year ended September 30, 1932, was down slightly at $1,901,566 as compared with sales of $1,934,594 in 1931, but sales increased to 4,803,133 lbs. in 1932 from 3,219,322 lbs. in 1931, an increase of over 49 per cent. The present price reduction is from 50 cents to 45 cents per pound on two pound lots and more while the price of 50 cents per pound remains on one pound lots.

Fanny Farmer Gained

Officials of the company believe that as a result of the new decrease in price definite benefits to the company will result and that the public,

(Continued on page 2, col. 3)

Gatineau Power Income Exceeds Senior Charges

High Yield on First Mortgage Bonds Brings in Wake Doubt as to Ability of Company Meeting Obligations

From Our Own Correspondent

MONTREAL. — Despite official statements of increasing earnings, securities of Gatineau Power Co. have fallen well below parity and there is widespread doubt of the ability of the company to continue meeting interest charges.

There have been circulated numerous rumors regarding the stability of the company. Its relations with the parent company, Canadian Hydro-Electric Corp., and the International Paper group; newsprint and other matters affecting Gatineau Power have been mentioned.

An examination of the situation surrounding Gatineau Power at this time is of value. The principal consideration is the company's ability to meet its obligations in respect to the first mortgage bonds.

Last year Gatineau Power Co. reported a gross revenue of $8,874,108 and net earnings of $7,659,405. Interest on the first mortgage and prior liens was earned 2.23 times before depreciation and amortization of storage works, and 2.06 times after these charges.

Earnings during the current year have been on the increase. During the quarter ended June 30, 1932, net earnings available for bond interest, depreciation, etc., amounted to $2,148,731, as against $1,911,029 for the same quarter last year. For the quarter ended September 30, 1932, net earnings on the same basis totalled $1,939,540, compared to $1,857,744 for the third quarter of 1931.

In the 12 months ended September 30, 1932, consolidated net revenue

(Continued on page 4)

FIVE DAY WEEK TO SHARE WORK GAINS IN FAVOR

Sir Joseph Flavelle and Tom Moore Discuss Matter

SEEK JOB SECURITY

Imperial Oil Adds 300 More Men in Montreal and Toronto — More in Spring

Imperial Oil initiative in establishing a five-day week throughout its organization is bearing fruit. The Financial Post understands that other important companies are giving the matter very serious consideration and that the matter may be brought to the attention of the Boards of Trade throughout Canada, the Canadian Chamber of Commerce and the Canadian Manufacturers' Association. It is reported, for example, that Sir Joseph Flavelle took advantage of the presence in Toronto of Tom Moore, president of the Dominion Trade and Labor Congress, about ten days ago, to discuss the matter with him, and with some of the leading citizens in the Industrial, financial and business world.

Daily Progress Made

While certain employers and employees in various parts of the United States, where the five-day week has been proposed, received the plan at first without enthusiasm and in some cases with opposition, reports to date indicate that the daily progress accomplished is having an ameliorating effect on conditions. Some labor unions are against the idea but organized labor as a whole has as one of its chief objectives the shortening of the hours of labor and of the days of work. The industrial revolution has proceeded to such a point that many employers now see the five-day week as the only way of putting back to work those displaced by machines. Others point out that in the past the introduction of labor-saving machinery has never produced permanent unemployment although it does necessitate important adjustments which take some time working out.

Is Aid, Not Panacea

It is emphatically denied that originators of this movement believe that it will be a panacea for all that ails society. Employers and employees alike as well as the community at large, it is agreed, have a common interest in creating a feeling of job security. In the United States and in the Imperial Oil organization in Canada it is said that this is one of the chief gains. With job security employees spend more for food, clothing and other necessaries. So do those who were formerly unemployed but who are made spenders for food and clothing by this plan. In the United States it has been found that job security, however attained, stops hoarding. That in itself is a great gain.

The group of important Canadians who are thinking of the five-day plan and its possibilities are most concerned about securing an immediate improvement. It will stop some of the drain on relief funds, it will spread the benefits achieved by labor-saving machinery and it will be a forward step, showing that in countries where individual initiative still governs, the organization of society can give more leisure, more pay and a higher standard of living than in communistic lands.

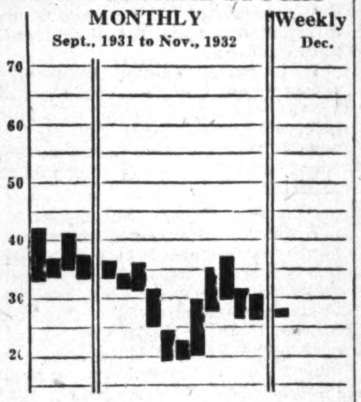
It is stated that since the depression began invention of labor-saving machinery has gone on at such a rapid pace that millions of people in the United States alone would have been deprived of their jobs for a time even if consumption had remained at 1929 levels. In Canada railway companies have many classes of labor on a 17-day month, many base metal mines have a three-day week and other industries find themselves able to give even less work. This plan is not for them.

It is not only suggested that

(Continued on page 2, col. 3)

Stock Market

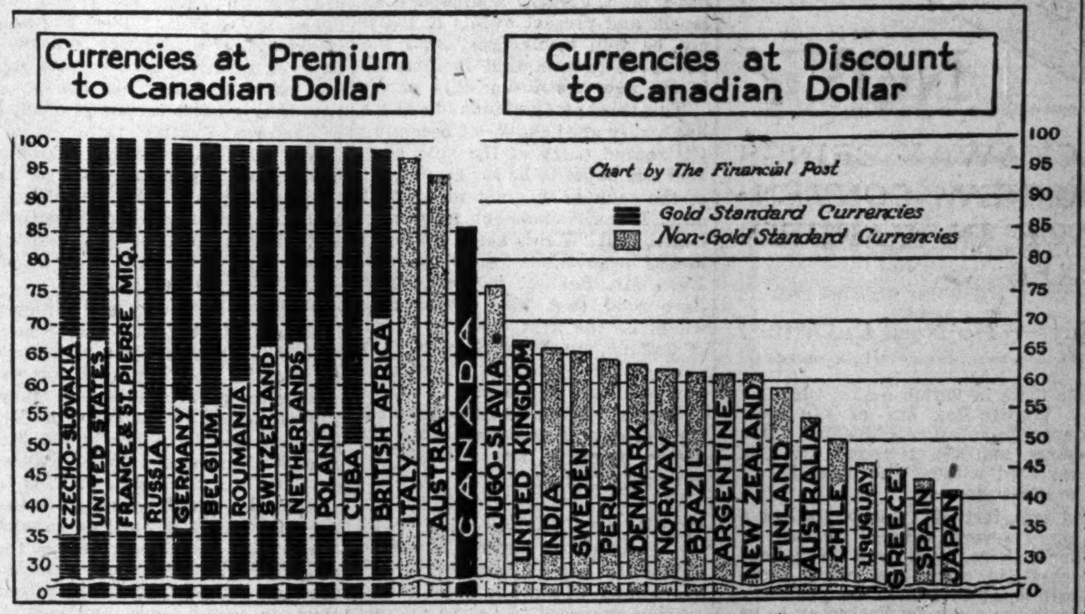
20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Dec. 6	27.8	26.4
Week of Nov. 29	28.7	27.2
Month of Dec., 1931	36.9	33.1
8 Bank Stocks		
Week of Dec. 6	165	163
Week of Nov. 29	166	163
Month of Dec., 1931	216	216
10 Public Utilities		
Week of Dec. 6	46	44
Week of Nov. 29	46	44
Month of Dec., 1931	59	55

Canadian Dollar in Intermediate Position



The aloof position of the Canadian dollar in comparison to other leading commercial currencies of the world is shown by the above chart compiled by The Financial Post. While well below gold standard currencies, such as that of British Africa, Canada's dollar is considerably above the chief group of non-gold standard currencies, including the pound sterling of the United Kingdom. If the relatively less important currencies of Austria and Jugo-Slavia are omitted from the picture above, the intermediate position of the Canadian dollar becomes even more pronounced. The chart is based on the approximate present price of each currency in the foreign exchange markets in relation to its gold "par" of exchange. This is worked out in a percentage of "par" for each currency.

A complete analysis appears on page 9.

BLUE RIBBON STOPS PAYING WILLARD DIVD.

Liabilities Exceeded the Amount Stipulated in Agreement

Alleging that liabilities in excess of $10,000 were not shown in the balance sheet of Willards Chocolates Ltd. which was presumed to show the position of that company on September 30, 1931, and that it is not therefore liable under its guarantee of the preferred dividend of Willards Chocolates Ltd., Blue Ribbon Corp. has not paid dividends on the preferred stock due September 1 and December 1. Future payments by Blue Ribbon Corp. are understood to be dependent upon the settlement of the liabilities in question and Blue Ribbon has given notice to that effect to National Trust Co., trustee for Willards Chocolates' preferred shareholders.

Preferred shareholders of Willards Chocolates, Ltd., agreed in December, 1931, to waive payment of all arrears of preferred dividends amounting to 10 per cent on the $100 par value stock and to take a reduction in the annual dividend rate of 1½ per cent on the understanding that cumulative dividends at the rate of 6½ per cent would be guaranteed by Blue Ribbon Corp. which had secured a five-year option to purchase common stock of the company. Should earnings of the Willard company be insufficient to meet preferred dividend requirements, the difference was to be made up by Blue Ribbon. Preference dividends were paid on March 1 and June 1 under this guarantee and cost Blue Ribbon Corp. $15,405.

Liabilities Not All Shown

The guarantee of Willards preferred dividend by Blue Ribbon Corp. was to be terminated in the event that "any liability of Willards, direct or contingent, liquidated or unliquidated, ascertained or unascertained, incurred on or prior to September 30, 1931, not disclosed on the balance sheet as of that date . . . shall involve a liability of more than $10,000 and in the judgment of Blue Ribbon Corp. such liability . . . substantially impairs the profitable operation of the business of Willards." The excess of undisclosed liabilities is understood to be in current liabilities such as accounts payable and were overlooked in compiling the balance sheet on which the agreements to purchase were based.

The offer by Blue Ribbon Corp. to purchase the common stock of Willards at $15 per share on or before April 15, 1935, is understood to be an entirely separate contract and is not affected by Blue Ribbon seeking to withdraw from the contract made with preferred shareholders. Purchase of the common stock is contingent upon payment by Willards of $257,494 principal amount of a mortgage held on the company's property by Prudential Assurance Co. This property is under option to Carruthers-Silverwood Dairy Ltd. which has until March 1, 1935, to make payment and from the proceeds of the sale it is anticipated that the mortgage can be paid off.

Common Contract Still Good

It is stated that all the terms of the contract with common shareholders have been lived up to and providing the mortgage is retired by 1935, Blue Ribbon Corp. will be obliged to purchase the common stock. Dividends on the preferred stock are cumulative and if Willard earnings are insufficient to meet preferred dividend requirements arrears of preferred dividends will accumulate at the rate of over $30,000 per year. Ownership of the common stock would therefore have little value until arrears of preferred dividends were paid off or some adjustment was made.

Willards Chocolates Ltd. has added various lines during the current year and has sought to secure a better contact with dealers.

Pall of Silence Over Paper Conference Denotes Lack of Pact

Report Great Lakes Paper Given 15,000 Tons of Newsprint

ADJOURN MEETING

Outsiders Take More Active Interest in Negotiations to Bring Group Together

From Our Own Correspondent

MONTREAL.—A pall of silence continues to hang over negotiations among the newsprint executives, all of which would indicate that the conference has not yet been able to come to any permanent basis of settlement of its differences.

Newsprint operators are keeping their own counsel but when the conference adjourned at the end of last week, it is understood that no remedy had been found for the ills of the industry.

The principal matter of discussion of late has been the necessity of evolving some scheme to keep the producers together and prevent an open break in marketing arrangements as they already exist.

Want More Tonnage

With mill operations varying all the way from 25 to 30 per cent to 100 per cent, and a general average for the industry of 50 per cent, it is obvious that those companies not so fortunately situated in respect to tonnage, must have additional business otherwise they will cut prices until they do get additional orders.

Prevention of such a step involves a re-allocation of tonnage. Those companies with business permitting them to operate their mills above the average have been asked to give up a portion of their tonnage to be placed in a general fund and re-distributed among the companies with a limited amount of business.

Must Meet Conditions

The majority of operators are in no position to face a price-war. Much as they desire to keep their own tonnage, it is recognized that the companies with low-operating ratios must be satisfied, inasmuch as they themselves cannot afford to have existing marketing arrangements disrupted.

In order to keep the situation in hand the re-allocation of tonnage is regarded as paramount importance at this stage. It is towards that end recent discussions have been entered into at the conferences.

Settle With Great Lakes

Little progress had been made, though there was a better understanding of each other's position,

(Continued on page 2, col. 5)

WILL NOT PERMIT HYDRO TO BUILD LINES IN QUEBEC

Taschereau Reiterates Opposition to Hydro Expansion

From Our Own Correspondent

MONTREAL—"We will not permit the Ontario Hydro to dump its surplus power in Quebec," said Hon. L. A. Taschereau, Premier of Quebec, in discussing with The Financial Post, the matter of allowing Ontario to sell from the Abitibi canyon development power to the Beattie Gold Mines in Northern Quebec, in competition with Canada Northern Power Company.

"Why should we permit Ontario Hydro which is tax free to compete with our own companies which pay taxes and are financed by our own people? It is unfair competition, and we will not permit it."

Questioned as to how Hydro would be kept out of the Quebec field, Mr. Taschereau said: "An expensive transmission line can be built to the border, but no transmission line can be built within Quebec without the permission of the Quebec Public Service Commission."

"The commission will not issue authority for its construction. There are other ways of preventing unfair competition, and our final word is that the commission will not be allowed to enter the Quebec market."

It was pointed out to the Premier that Quebec companies were exporting power to Ontario. "That is true," he said, "but we did not ask to export power, Ontario came to us. The commission then needed the power and we supplied it. Now we have turned to a new chapter, and Quebec will not permit Ontario to dump its surplus power in this province."

Windsor Court Apart. Fails to Pay Interest

Interest on the 6 per cent first mortgage bonds of Windsor Court Apartments Ltd., which was due December 1 remains unpaid and a meeting of bondholders will be held at some future date to consider the existing situation. The apartment, located at Windsor, Ont., is stated to be 75 per cent rented but in recent months rentals have been reduced considerably in order to secure new tenants and retain old ones.

The company was financed in 1927 with the issue of $400,000 of 6 per cent first mortgage sinking fund bonds, due June 1, 1942, which were sold by W. A. Mackenzie Co. There is also an issue of $200,000 7 per cent preferred stock of $100 par value and 10,000 shares of no par value common stock.

Ottawa Ready to Control Newsprint Mills by License

While the Federal Government, momentarily, has abandoned any intention of intervening in the newsprint situation, interest attaches to the proposal made within the last six weeks from Ottawa to the newsprint industry. The proposal was rejected but, if conditions warrant, may be revived at some future date.

The degree of authority with which the proposition from Ottawa was presented to newsprint companies cannot be learned with exactitude, but, in any event, overtures which were generally accepted in the industry as bearing the stamp of the federal cabinet were advanced—though never acted upon.

The proposal, it is learned, was for the Federal Government to take the necessary power from parliament to control exports of newsprint by federal license. Having done so, the government would have proceeded to ration production among Canadian newsprint mills, cutting down the output of some, increasing the output of others.

It is believed that many of the companies were favorable to such a policy; others were vigorously opposed. The difficulties of putting such a scheme into operation without, practically, the unanimous approval of the industry are obvious. It would mean taking production away from one section of the country, one province, and giving it to another. Sectional interests, as well as the managements of the companies, were not willing to submit to federal rationing. Hence the policy has not been adopted.

EMPIRE BRAND NOW RUMORED FOR IMPERIAL

Big British Tobacco Firm Using Canadian Crop 'Tis Said

SURPLUS DISAPPEARS

Buyers For Ontario Tobacco Crop Suddenly Appear Though Prices Still Low

Imperial Tobacco of Great Britain has within the past few weeks stepped indirectly into Western Ontario for the first time as a large buyer of Canadian tobacco and will shortly introduce in the United Kingdom a new line of products made from purely Empire tobaccos, The Financial Post understands.

This important news culminates two weeks of dramatic developments in the famous new tobacco belt of Ontario — events which have turned an apparent glut of tobacco into something almost approaching a scarcity for this time of year, and have raised prices to growers by something between 5 and 10 cents a pound. It is said that buyers have been so active within recent weeks that less than 1,000,000 pounds of tobacco now remains unbought out of a total crop in the old and new belts, of between 20,000,000 and 24,000,000 pounds.

Imperial Springs Coup

As the story of the past week or two unfolds, the feeling grows that a remarkable "coup" has been achieved by Imperial Tobacco Co. of Canada in buying a fine Canadian crop at prices exceedingly satisfactory to itself. Apparently Imperial of Canada has not only bought considerable tobacco for its own requirements but has been doing all the buying for the British company. It is said that 8,000,000 pounds of Canadian leaf will be bought for the British company by Imperial of Canada and that in order to get the new Empire blend under way as soon as possible an additional million pounds of old processed crop has also been purchased. Imports of Canadian leaf by Great Britain in the past eight months have totalled nearly 9,000,000 lbs. as against 5,000,000 in the same period last year.

Buying has been done through the British American Tobacco Co. a concern which was formed in 1902 to handle the export business of the various Imperial companies of Great Britain and the United States. The fact that this company is understood to buy only through Imperial of Canada, removes, it is said, the possibility of competitive buying from this new source, which would nominally be expected.

Two Now on Market

If such a tobacco is marketed it will be the third of its kind on the British market, there being two Canadian or Empire blends already sold there, one "Canadian Club" tobaccos and cigarettes made entirely from Canadian leaf and sold by Godfrey Phillips, and "Park Drive" an Empire mixture of Gallaghers Ltd.

Last year Imperial of Great Britain bought a sample parcel of 800,000 pounds of Canadian leaf but this new purchase is said to be the first big order ever to be placed in Canada by the big British concern. The leaf was apparently purchased through the Canadian company and new belt tobaccos are delivered to the Imperial of Canada at Delhi. They are then sent to the Chatham plant of the British American Tobacco Co., it is reported.

Average Price Low

Average price to flue-cured tobacco growers in Ontario this year is probably in the neighborhood of 15 to 17 cents per pound as against a corresponding figure of 21 cents a pound last year and 32 cents a pound the previous year. Although the market opened at 24 cents a

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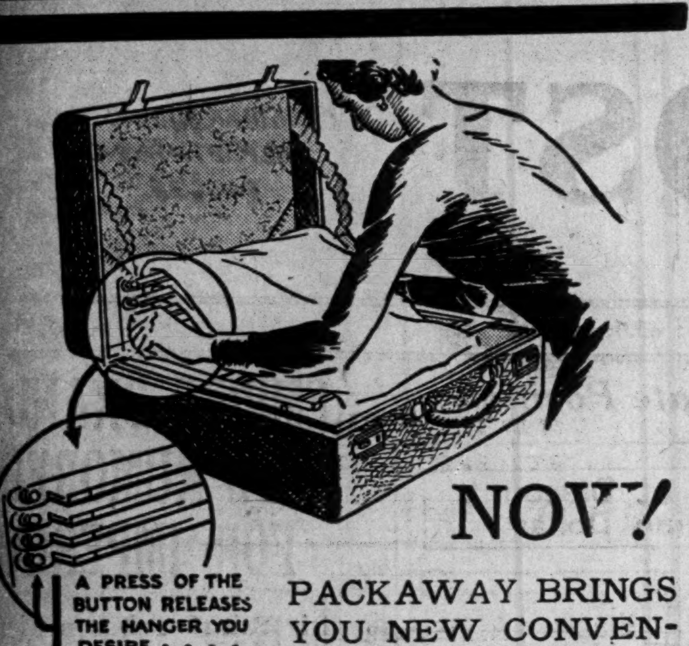

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In Fabricord $15 In Leather $25

THE T. EATON C° LIMITED
TORONTO CANADA

CENTRAL MANITOBA DEAL UNDER FIRE

T. C. Anderson, H C. Davis, H. A. Wentworth, A. D. Miles and A. M. S. Ross, K.C., all directors of the Central Manitoba Mines and the W. A. D. Syndicate are named in a claim filed by Frederick Hini, of Winnipeg, charging the defendants with purchasing 30,000 shares of capital stock in the Manitoba Gold Mines with $30,000 of funds belonging to Central Manitoba Mines. The plaintiff asked that the transaction be declared fraudulent and void and asked that the defendants return the money to Central Manitoba Mines with interest at 5 per cent since the date of the purchase.

The defendants are alleged to control the majority of the shares of Central Manitoba Mines, and also to be large holders of shares in the Manitoba Gold Mines, incorporated in 1924.

The claim is the outgrowth of the selling shares of Manitoba Gold Mines to Central Manitoba Mines after the former acquired some holdings at Island Lake Manitoba. The payment of $30,000 for 30,000 shares, alleged to be worthless. brings forth the further allegation that the defendant while knowing that the shares of Manitoba Gold Mines possessed no real value fraudulently conspired to divert $30,000 from the treasury of Central Manitoba Mines.

The purchase of the Manitoba Gold Mines shares for $30,000 was ratified by Central Manitoba shareholders on August 3, 1932, but the plaintiff claims the interests of the defendants were not disclosed to Central Manitoba shareholders.

Spick and Span Creditors Name Trustee This Week

The first meeting of creditors of Spick & Span, Ltd., was held in the office of the official receiver at Osgoode Hall on December 7. An authorized assignment was made for the benefit of all creditors on November 24, 1932. Fred. Page Higgins, F.C.A., was custodian.

FALSE ECONOMY

WHY do so many men of high standing in professional, business and financial callings appoint a trust company to act as Executor of their estates? Because they know that it is false economy to try to save executor's fees by appointing a friend or a member of the family to this responsible position.

They know that in their own businesses they would never save money by replacing experienced department heads with inexperienced men, and they know that the mistakes of an inexperienced executor may cost an estate many times the Trust Company's moderate fee.

* * *

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TO EUROPE FROM NEW YORK·BOSTON·OR HALIFAX

The Nation's Business

(Continued from Page One)

purchasing power, or their savings, or their self-respect in the most calamitous of all business crises, one that has thrown into sharp relief all the weaknesses and shortcomings of the world's economic, social and political systems.

All the people of the "Something rotten in the state of Denmark" school of thought, supplemented by all the "Somebody out to do something about it" groups, are fair prospects for the new party and since the numbers of both groups have been greatly augmented by recent and present events it would not be well to underestimate the power of growth that is inherent in the new pseudo-Socialist party.

This third party of today thinks it has a very good chance of becoming the second party of the next election and hopes to be the first party of the country at a not too distant date. It is glib comment, frequently heard, that "if this keeps up much longer" anything may happen. Even Mr. Bennett is reported to have said that Mr. Woodsworth would be the next prime minister of Canada, but if Mr. Bennett made that statement in the presence of any one who was likely to repeat it in public he did so no doubt with the purpose of annoying Mr. King rather than in any attempt at political prophecy.

* * *

THE new party, being anti-capitalist in nature, hopes to appeal to those elements in the community who are in popular discussion supposed to be the victims of capitalist economy. But in its attempt to be all things to all men, it is not likely to be permanently as successful as the older traditional parties. In making a strong appeal to farmers, the chief plan offered is inflation of the dollar to boost the price level. But the party is also appealing to labor and the thought may occur to many labor men that if the dollar is inflated to help the farmer it may reduce the purchasing power of the contents of the worker's pay envelope.

However, such inconsistencies are to be found in all programmes designed for wide popularity. The important thing is whether or not the Co-operative Commonwealth Federation has anything to offer to any groups in the country other than the malcontents. Certainly the farmers of Western Canada, who have been hard hit by the price decline, are not rushing to the support of the new party and are giving its lecturers cold treatment. The United Farmers of Ontario is at best a minority group, dominated in turn by a still smaller minority group. The objectives of the new party run contrary to the true interests of the farmer, who is a capitalist by nature and who is interested in lower taxes rather than in the higher taxation that will follow from further extension of State Socialism.

A number of labor groups with long names have affiliated with the new body but again these bodies are not the real spokesmen of labor in Canada. The average workingman is at heart a devout believer in democratic institutions and wants to better his own position through the certain workings of reform politics rather than through Socialism, which can only hold power by a dictatorship, as its leaders—not in Canada but in England and Germany where Socialism understands itself — have avowed openly and publicly.

* * *

THE farmers who will support the C. C. F. and the labor men who will desert their real leaders to join the movement will not together comprise a sufficient number of voters to achieve for Mr. Woodsworth the honor which Mr. Bennett is supposed to have forecast for him. If the C. C. F. is to sweep the country, as so many people forecast, it must do so with the support and co-operation of the discontented middle class, a phrase used here in its economic rather than its social sense, and indicating the thousands of salaried men and women and their families, the merchants, the small investors, the retired people who bear more than their share of the world's troubles today. Here we have the real victims of the depression. Practically all of them have seen their incomes cut seriously without any commensurate decline in their fixed charges, taxes and living costs. Indeed, with reduced incomes, they have been expected to contribute, via taxation and private charity, to vast relief schemes from which they have not generally benefitted. There is nothing in Socialism for this group, except further tragedy and distress.

Consider one chief plank in the new party's platform: inflation. In the giant inflation that swept Germany after the war, the middle class were completely impoverished and would be in Canada as well, if a wholesale scheme of inflation were embarked upon. It is possible and indeed probable that some worried householders will seize upon the C. C. F. as a way out, but the great majority of them have no use for radicalism and have no more use for Socialist preachers than for predatory financiers.

It was the revolt of the middle class that has recently ended the dominance of Socialism in British and German politics and that is bringing those two nations nearer to sound economic and political policies. And it is the middle class that will prove the final barrier to permanent progress by the C. C. F.

* * *

FUNDAMENTAL social reconstruction" is what the Commonwealth Federation offers to Canada. But a phrase so general and meaningless must be interpreted in terms of more specific planks and so socialization of finance, public ownership of natural resources, planned economy, extension of social legislation, co-operative enterprises, state health schemes, and the adoption of the principle that the state must find every man a job are presented as typical of what fundamental social reconstruction stands for.

In such a platform it is hard to find any evidence even of a "bloodless" revolution since everything in that list and everything supplementary to it that has been mentioned by C. C. F. orators has already been put into effect in Canada on some scale at least. We have state credit schemes, state ownership of public utilities and some commercial enterprises, old age pensions, public relief to the indigent and the unemployed, state-aided co-operative schemes, and a whole host of schemes and experiments that mark notable milestones in the progress we have already made in Canada toward the establishment of a Socialist state. After all, the C. C. F. offers nothing new. It is merely an appearance, in the open and undisguised, of the Socialist groups who have had their way in Canada since the war and who have dominated the councils of both of the traditional political parties.

Socialism has wormed its way into Canadian politics and now considers that the time is ripe to take control of the democracy and put up such defensive barriers against opposition forces that it shall not be thrown out. The Socialists are digging in and the Canadian Commonwealth Federation is to be their front line.

FIVE DAY WEEK TO SHARE WORK GAINS IN FAVOR

(Continued from page 1)

large employers should take this action but that smaller firms through Canada should try the same thing. In the case of Imperial Oil it is understood that in Montreal and Toronto alone 300 people are at work because of the company's change from a 5½ day week to a five-day week. Of 1,600,000 wage earners in Canada half a million are now unemployed. The present plan would only apply to companies still working on the old schedule of 1929. For every 10,000 employed in such industries the change to a five-day week would put 900 additional men at work.

It is understood that labor men approve the Imperial Oil decision not to reduce men getting $100 or less when they are given an extra half day a week. This is equivalent to an increase Rate of wages remains the same but the total is different when the week drops from 5½ to five days.

In the United States both President Hoover and President-elect Roosevelt have given their hearty support to the movement but official recognition by Governments in Canada, has yet to come, it is understood.

LAURA SECORD LOWERS PRICE EXPECTS GAIN

(Continued from page 1)

which is "bargain-minded" at the present time, will buy more candy. The experience of Fanny Farmer Candy Shops Inc. in the United States during the past six months tends to indicate that improved earnings will result. The Fanny Farmer stores are the counterpart of the Laura Secord chain in the United States and while the companies are distinct and separate entities the management is largely the same and control of both companies is held by F. P. O'Connor.

The beneficial effect of an increased production resulting from a lower price might apply to any industry and figures of Laura Secord Candy Shops Ltd. in the past year indicate that an increased volume of sales has a stabilizing effect. Throughout the year ended September 30, 1931, a retail price of 60 cents per pound prevailed and in the year ended September 30, 1932, a price of 50 cents was in effect.

The increase in production in 1931-1932 resulted in a decrease in labor costs of 1½ cents per pound, although there was some increase in the number of employees and wages were maintained. The increased production was handled with no increase in overhead costs or in selling costs. There was a 5 per cent increase in the number of studio employees and practically no change in the number employed in the retail shops which numbered 79 at the end of the fiscal year, a gain of six stores.

Labor costs of production in the studios were $197,639 in 1930-1931 and $196,582 in 1931-1932. The actual cost of producing the 1931-1932 output was $946,048 compared with $945,320 in 1930-1931, although there was a 49 per cent increase in volume. Drop in the prices of products used in manufacture was responsible for a large part of the saving as material costs were $669,818 in 1932 which was but a slight increase over the $659,692 spent in 1931 although the volume purchased was much greater. Rentals were some $8,000 higher in 1932 due to the increased number of stores.

Laura Secord Candy Shops Ltd. operates two manufacturing studios and on the basis of an 8-hour day it is estimated that these studios could produce 25 per cent more than they are presently producing without increasing overhead or labor costs. The retail shops could sell such an increased production without any increase in cost of operation. Stimulation of sales by the decreased price on lots of two pounds and up is therefore expected to have a beneficial effect on earnings.

In September, 1931, the price situation made by Laura Secord was followed by the majority of manufacturers of boxed chocolates. The benefits that accrued to Laura Secord, however, did not necessarily accrue to other manufacturers. It is problematical as to whether or not the confectionery trade will follow Laura Secord in this second price reduction in little more than a year, a reduction from 1931 prices of 25 per cent.

EMPIRE BRAND NOW RUMORED FOR IMPERIAL

(Continued from page 1)

pound only very few crops were bought at this price and buyers virtually withdrew from the field. As buying had not started until late in the season, growers became panicky as rumors spread that the big buyer (Imperial of Canada) was not in the market for much tobacco and prices slumped to as low as 5 or 10 cents a pound. Provincial aid was invoked and plans laid for a co-operative organization which would provide facilities for grading and processing the crop thus allowing growers to hold their tobacco in the hope of better prices later on. This stemmed the tide of falling prices and little or no additional buying was done, less than half the entire crop having been bought by the third week in November.

Two weeks ago, however, with prices down to below the 15 cent level, buying recommenced quietly and swiftly with the result that within a very few days the bulk of the new belt crop had been bought up and the entire crop (about 2,000,000 lbs.) of flue-cured tobacco from the old Essex belt, also purchased. Thus it is said, Imperial Tobacco has accomplished its purpose of purchasing a fine crop of tobacco at a low price.

The co-operative association is still in process of formation but will not be available in time to be of much assistance in regard to this year's crop it is thought, especially since the turn of events in the past week.

Another important event of recent date has been the appointment of Donald Sutherland of Ingersoll, minister without portfolio in the Meighen ministry of 1926, to conduct under the Federal Combines Act a preliminary investigation for the purpose of determining whether recent complaints and charges as to "combine" practices are sufficiently substantial to warrant authorization by Ottawa of a full commission enquiry.

Some idea of the growing importance of Canadian and Empire tobaccos in the British market may be obtained by the following item published this week by the Dominion Bureau of Statistics:

"Heavy shipments of tobacco leaf during October from Southern Rhodesia and Nyasaland put Nyasaland in first place in the British market during the first ten months of 1932 with 13,524,643 pounds, Southern Rhodesia second with 9,065,505, Canada a close third with 9,056,360 and British India fourth with 8,565,429. That is, among Empire countries.

"Empire tobacco in the British market has made huge strides in the past two or three years. That is a trade that formerly belonged almost exclusively to the United States, but a great change has been taking place. In the first ten months of 1930 the United Kingdom purchased 133,309,197 pounds of unmanufactured tobacco from the United States and 31,611,111 pounds from Empire countries, whereas in the same period of 1932 the amount from the United States fell to 82,784,597 pounds and from Empire countries 42,266,953 pounds. In other words two years ago the Empire total was less than one-quarter that of the United States, but this year it is more than half

"The part that Canada has played in this change is impressive. This year's import by the United Kingdom from this Dominion is about three times what it was two years ago."

PALL OF SILENCE OVER PAPER CONFERENCE DENOTES LACK OF PACT

(Continued from page 1)

until a short time ago. One of the principal drawbacks to any concerted plan to strengthen the position of the weaker-companies, was the presence in the market of Great Lakes Paper Co. This company, for some time, had been offering newsprint at prices reported to be below the general standard. Two weeks ago this company suddenly withdrew from the market with the announcement that it had reached its tonnage objective and that no more business would be accepted.

Withdrawal of Great Lakes from the market is said to have been at the expense of the other companies; 15,000 tons is the amount mentioned as having been transferred to Great Lakes by the other newsprint manufacturers.

Re-allocation of Tonnage

With this insurgent member out of the way, it was anticipated that an agreement would be reached on the matter of re-allocation of tonnage to take care of some of the more hard-pressed companies.

An unconfirmed story is that the re-allocation of tonnage agreement as put forward and which, as far as can be learned, has not been approved, provided that International Paper would contribute to the general fund something like 60,000 tons. Anglo-Canadian's quota is said to have been 15,000 tons. Mersey Paper is also mentioned as one of the companies that was giving up tonnage to be distributed among the less fortunate operators.

It is stated that a temporary arrangement has been entered into by the operators which will hold things together until the conference is able to come to an agreement on some more permanent form of co-operation.

License Export Shipments

A number of schemes are reported to have come before the conference, but have been turned down for one reason or another. Some have come from within and others from without the conference. The Federal Government is understood to have taken a hand in the situation by proposing that newsprint companies' exports of newsprint should be licensed, thus enabling production to be rationed. This plan is said to have been objected to on the ground that governmental interference was distasteful not only to the operators but to the consumers.

Taschereau Gives Views

Hon. L. A. Taschereau, premier of Quebec, has not minced words in giving his views of the deadlock in the negotiations. He has stated in no uncertain terms that if a settlement was not reached shortly, the provincial governments concerned would endeavor to bring order out of the situation.

Sweezey Has Plan

R. O. Sweezey, long associated with the industry, has entered the arena with a plan for the formation of a central selling agency which is referred to in another section of the paper. Briefly his scheme provides that all tonnage should be pooled and handled through a central organization. The business would be distributed among the operators on the basis of their operating efficiency.

This plan has been likened to the old Newsprint Institute of Canada which came to grief not long after it was brought into being at the insistence of the Quebec and Ontario governments. It is pointed out that the Sweezey scheme differs from that of the Institute in that the central agency would handle all funds. Under the Institute's operations each company collected its own accounts and it was not possible to maintain control over the individual operator.

Affair is National

The investor has long since lost any active interest in the welfare of the industry. His securities have depreciated to such an extent that they are almost valueless today. The welfare of the industry, however, is of national import. The many conferences in Montreal have been held with a view to arriving at some equitable solution of saving the industry. The operators, as a whole, are not making any profits. In one or two instances paper is being sold at an actual loss.

The capacity of newsprint machines installed is far greater than needed for many years to come. The surplus capacity, representing an investment of tens of millions of dollars, constitutes an overwhelming burden on the balance of machinery that can be employed. Furthermore certain companies have not got enough business to pay their operating costs without any consideration being given to capital obligations.

Problem is Faced

It is these companies that constitute a threat to the balance of the industry. Faced with the necessity of securing further business, they can only secure it by cutting prices or by contributions from other operators. As long as it is seen fit to keep these weaker companies alive, the stronger companies will have to give up tonnage or face the possibility of an open-war which would only result in the general tearing down of the industry.

AVER. VALUES ARE APPROVED FOR INSURANCE

(Continued from page 1)

tional price fluctuations of such securities on the exchanges have continued, and whereas close study of the range of markets over various periods together with various tests as to the range of markets through times of prosperity and depression alike up to and including Sept. 30, 1932, lead to the conclusion that the real value cannot be definitely determined and that the convention values of 1931 are indicative of a fair value of securities for inventory purposes at the present time, and whereas the trend of the markets indicates a situation that over a period of years normal market conditions may reasonably be anticipated in which there will be willing sellers and willing and able buyers in a free rather than a forced market;

"Resolved that the committee is of the opinion that under present conditions the convention values for stocks and bonds adopted for the annual statements due as of December 31, 1931, reflect fair value for the inventory of such securities in the annual statements due as of December 31, 1932, except as hereinafter provided, and that the same should be adopted as the 'convention values' for 1932.

"(2) Further resolved that in cases where the condition of companies may require the immediate disposition of securities it is the opinion of this committee that the discretion of a commissioner of insurance should be exercised to vary the general formula herein set forth so as to adopt the prices reflected by the exchanges.

"(3) Further resolved that in the opinion of this committee securities should not be valued at more than the purchase price if purchased since June 30, 1931. unless such purchase was in effect a bona fide exchange of securities resulting in betterment of a portfolio in which event the value herein provided should be allowed but not so as to exceed the convention value of the securities disposed of in connection with such purchase, and no such special value should be allowed unless such exchange is separately indicated.

"(4) Further resolved that inasmuch as a number of worthy industrial and commercial corporations are in emergency receivership and a number of corporate bonds are in default as to interest and/or principal by reason of lack of liquidity rather than by reason of lack of underlying value, stocks of corporations in receivership and bonds in default should be valued on the 1931 convention basis, less 30 per cent of the difference between such convention value and the exchange quotations of December 1, 1932, unless the value underlying such securities has been heavily depleted or has disappeared to such an extent that a lower value is required by reason of such special circumstances.

"Resolved that for 1932 this convention hereby ratifies and confirms the action taken by its committee on valuation of securities pursuant to the recommendation of the financial adviser to the convention with respect to moderate and reasonable adjustments in the 1931 convention values for municipal bonds."

Hamilton Finance Co. Declared Bankrupt

The first meeting of creditors of Hamilton Finance Corp., Hamilton, will be held in the office of the official receiver on December 12 at the Court-house in Hamilton at 2.30 o'clock in the afternoon.

The receiving order was granted on November 10 and James W. Hamilton, of Hamilton, was appointed custodian. A permanent trustee will be elected at the meeting on December 12.

Metal Prices

New York—December 6—
Copper: Electrolytic spot, 5⅛c to 5¼c lb.
London—December 6—
(Long Ton)—
Copper: Electrolytic spot, £36; future, £36 10. Standard spot, £30 17s 6d; future, £31 5s.
Tin: Spot, £152; future, £152 15s.
Lead: Spot, £11 5s; future, £11 15s.
Zinc: Spot, £15 2s 6d; future, £15 7s 6d.
Silver: 17 11-16d. per ounce.

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NEW LOW PRICE FOR NEWSPRINT FIXED ON COAST

Swedish Competition Cuts Into Trade of B. C. Mills

From Our Own Correspondent

VANCOUVER. — Newsprint prices in the Pacific coast zone will be further reduced at the beginning of the new year. The base price of $45 a ton has been established by Powell River Company, largest single producing unit in British Columbia, and this will be adopted by Pacific Mills, Ltd., Canadian subsidiary of Crown Willamette Paper Company, the other big newsprint organization.

Powell River Company has guaranteed a maximum price of $48.50 a ton for newsprint in 1934 and a maximum of $52 a ton in 1935.

The Pacific coast thus continues to be the lowest price newsprint zone on the continent. The new cut represents a reduction of about $5 a ton. Under the new schedule, operating companies cannot expect to make much profit next year, but the cut was made with a view to co-operating as far as possible with publishers who have been hard hit by curtailed advertising revenue.

Continued competition of Scandinavian and Newfoundland mills, which have been dumping newsprint on the coast at several dollars less than the established base price in this zone, is largely responsible for the necessity to amend the schedule at this time. International Paper Company has been shipping about 1,000 tons of newsprint to the coast monthly from its Newfoundland mills, and about 3,500 tons a month have been entering this market from Sweden. Practically all this newsprint is absorbed in the coast states where it has the full advantage of the depreciated currency—a fact which has lately given rise to a strong campaign in the northwest states for adoption of countervailing duties at Washington. Freight rates on newsprint from north European ports are extremely low at present owing to the large number of steamships coming to this coast practically in ballast to load wheat and other cargo.

Coast paper mills are now operating at about 75 per cent capacity.

WESTERN CITIES SHOW IMPROVEMENT

Retail Lines More Active in Past Week, Says Report

The weekly trade report of Canadian Credit Men's Trust Association Ltd. for the week ending December 3, 1932, is as follows:

Halifax.—Trade reported rather dull. Woollen mills are busy. Storms have interefered to some extent with fishing operations and trade in this line is moving slowly. Lumber business quiet. Production in iron and steel and coal mining industries is lower than that of last year. Prices on staple commodities generally remain low, with better prices obtaining on butter, eggs and potatoes. Collections fair to poor.

Saint John, N.B.—Wholesale trade reported fairly satisfactory although orders are in small quantities. Retail trade spotty, the weather possibly being too mild to stimulate business to any extent. Collections slow. Winter port traffic is opening up and indications are for a larger volume this season.

Montreal.—Wholesalers report very little change in trade during the past week. Groceries, dry goods, boots and shoes and clothing lines remain fair. Ladies' wear and specialty lines moving a little better in anticipation of Christmas trade. Retail trade both city and country reported fairly active. Collections: wholesale fair. Retail continue slow.

Toronto. — Certain lines mainly called for at Christmas show considerable increase in volume. Ladies' specialty lines, knit goods, gloves and hosiery are benefitting by weather conditions. Boots and shoes report business fair. Hardware quiet. Building still dormant. Collections fair to slow.

Winnipeg. — Manufacturers report slight improvement over last week. Wholesale groceries very good; dry goods, boots and shoes and clothing lines fair. Rubber footwear and overshoes and knit goods show trade as being quite active in these lines. Retail trade during past week has been fair. Collections both city and country fair to slow.

Regina.—Wholesale grocery trade shows some improvement over last week although slightly lower than that of last year for corresponding week. Dry goods report fair volume. Hardware shows about 5 per cent improvement over last year. Retail trade shows slight improvement during past week. Country quiet. Wholesale collections fair. Retail city collections fair to slow. Country; very little reduction being made in old accounts. Goods taken out in trade chiefly.

Moose Jaw.—Wholesale and retail groceries and hardware trade continues fair. Boots and shoes fair. Retail trade generally reported slightly improved. Collections fair.

Saskatoon.—Wholesale groceries report volume commencing to increase slightly to meet demand for Christmas lines although sales in comparison with those of last year are lower. Hardware and oils and greases rather quiet. Boots and shoes, rubber footwear, dry goods and ready-to-wear lines, both wholesale and retail, report sales rather slow, probably due to the exceedingly mild weather prevalent. Retail city trade in Christmas specialty lines has commenced to show some improvement although no substantial volume is evident as yet. Wholesale and retail collections fair.

Calgary.—Wholesale and retail groceries keeping up fairly active. All other lines moving slowly. Collections on current purchases very fair, although older accounts difficult to collect.

Edmonton.—Business generally, both wholesale and retail, reported quiet. Collections slow.

Vancouver.—Manufacturing reported to be making fair progress but is lacking the support of industries which in normal times were working to full capacity. Wholesale hardware reports sales slightly down. Groceries and all other lines report business as fair with seasonable goods moving as well as can be expected. Lumber industry is very quiet. Fishing, while below normal, is fair. Collections generally appear to be very satisfactory on current purchases but old accounts are practically at a standstill.

September Asbestos Shipments Gain

Asbestos shipments by Canadian producers in September advanced 10.9 per cent to 11,000 tons as compared with August's total of 9,918 tons, according to a report of the Dominion Bureau of Statistics.

"John Henrys" of the Nation

The Woodstock Sentinel-Review

The "silver anniversary" edition of The Financial Post contained about one hundred messages from captains of Canadian business and finance. In each case, a facsimile of the signature was appended, providing a rich field for those experts who are able to read character from handwriting.

As it is highly unlikely that the primary schools attended by these captains of industry taught as many as a hundred different styles of penmanship, one can only hold development of individuality responsible for the fact that no two signatures are built upon the same specifications. They are angular, upright and backhand, thin and thick, large and small, rounded and angular. Some slant upward, others are horizontal, and one—that of S. H. Logan, general manager of the Canadian Bank of Commerce—dips sharply in the middle.

Jackson Dodds, joint general manager of the Bank of Montreal, stands about head of the class, if neatness and legibility are to be scored highly. He uses a stub pen. R. Y. Eaton, president of the T. Eaton Company, also earns full marks for legibility. By the same standard, the worst writer, without shadow of doubt, is C. A. Bogert, general manager of the Dominion Bank. Nobody, we submit, could find a legible letter in the chicken-tracks he subscribes. The signature of Ross H. McMaster, president of the Steel Company of Canada, is little better, and that of Hon. E. N. Rhodes, finance minister, is evidently not intended to be deciphered.

A long stroke under the name, sometimes said to be a sign of vanity, is used by only 16. Four of them are motor magnates. Those who do not bother about punctuation are in a substantial majority. Rt. Hon. Arthur Meighen uses the stubbiest pen there is, which accounts for his characters being open at the top. Hon. George S. Henry, F. H. Deacon, A. E. Dyment and R. O. McCulloch demonstrate the plain, undecorated style. Like a heavy black mark on a graph showing the ups and downs of railway earnings is the chirography of S. J. Hungerford. C. F. Sise, president of Bell Telephone, uses an "F" of unique design. J. H. Gundy's effort is a masterpiece in vertical shading, and three of the letters have long curly tails. Leighton McCarthy, president of Canada Life, on the other hand, curtails those letters which ordinarily go below the line. A fair representation of a four-masted schooner in a stiff breeze turns out to be "T. White" as written by a former finance minister. What Hon. "Bob" Manion sets down might be anything at all. E. W. Beatty's contribution wouldn't win a prize, either.

But probably a cheque signed by any of them would get by, provided the account number were filled in.

GUELPH CARPET EARNINGS SHOW SLIGHT DECLINE

Redemption of Block of Preferred Shares Features Report

From Our Own Correspondent

MONTREAL.—Net earnings of Guelph Carpet and Worsted Spinning Mills in the fiscal year ended September 30, 1932, were $152,118 compared with $166,103 in the previous year. After adding interest and dividends received and providing for depreciation and taxes, net profit was $78,959 against $97,682 in the preceding period.

Preferred dividend requirements were lower by nearly $10,000 reflecting redemption of preferred stock, and earnings applicable to the common were equal to 78 cents a share compared with $1.05 a share in the previous year. In the period under review a single dividend of 25 cents a share was paid on the common compared with a previous disbursement of $1 a share, leaving surplus for the year at $18,551 and increasing surplus of profit and loss to $59,183.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the last two years ended September 30.

	1932 $	1931 $
Net earnings	152,118	166,103
Less: Depreciation	63,994	62,693
Net oper. profit	88,124	103,410
Add: Divds. rec.	1,342	1,805
Interest, etc.	6,493	7,720
Less: Prov. for taxes	17,000	15,253
Net profit	78,959	97,682
Less:		
Pref. dividends	51,658	61,065
Com. dividends	8,750	35,000
Surp. for year	18,551	1,617
Add: Prev. surplus	40,632	39,015
Bal. forward	59,183	40,632
Working Capital		
Current assets	813,684	891,330
Current liabilities	17,565	30,284
Net work. capital	796,119	861,046

Cash is Higher

Among assets cash is up $24,000 at $35,997 and investments, including call loans, show a gain of $100,000 at $232,973. Inventories have been reduced by $146,000 to $389,113, and receivables are lower by $57,000 at $154,800. Life insurance premiums paid are double those of the previous year at $8,380 and fixed assets are higher by $2,000 at $1,055,748. Goodwill is still carried at $1.

In liabilities payables at $2,773 show a reduction of $13,000. Tax reserve is virtually unchanged at $14,792 and depreciation reserve has been increased by $58,000 to $201,856.

Redeem Stock of Preferred

During the year there were redeemed 1,766 shares of 6½ per cent preferred stock, leaving $744,400 outstanding out of an original issue of $1,000,000. Average price paid for the preferred was approximately $76, and the profit on redemption, amounting to $42,898, was added to surplus, which now totals $313,949.

In his report to shareholders, H. Quarnby, president of the company, stated that there was no improvement in business conditions affecting the company during the year, and gratification was expressed that only a small decrease in net operating profit was shown.

Cotton Crop For 1932-33 Smallest Since 1923-24

The world cotton crop this year is estimated at 23,400,000 bales by the Bureau of Agricultural Economics, U. S. Department of Agriculture. This compares with 27,500,000 bales in 1931-32, and a 1927-1931 five-year average crop of 24.140,000 bales. The world crop this year is reported as being the smallest since 1923-24.

Decreased production in the United States is said to account for most of the reduction from last year, and the crop in Egypt was reduced one-third. Minor decreases are reported for Brazil and Mexico, but increased production is in prospect in India, China and Russia, says the bureau.

The crop in India is provisionally placed at 4,200,000 bales, an increase of about 800,000 bales above last year's small crop in that country. The bureau's estimate of the crop in China is 2,300.000 bales, as compared with a previous estimate of 2,500,000 bales.

Recent increased mill activity in continental Europe, especially in France, continued during the month ended November 15, it is reported.

Gasoline Sales in August

Gasoline sales in Canada during August amounted to 61,517,769 gallons, an increase of 19.8 per cent over the July sales of 51,331,174 gallons but a decline of 3.0 per cent from the August. 1931, total of 63,434,322 gallons.

ALCOHOL COMPANY OPERATING LOSS REDUCED IN 1931

Deficit of $369,440 Shown After Charges Excluding Depreciation

From Our Own Correspondent

MONTREAL.—An operating loss of $10,351 before depreciation compared with an operating loss in the previous year of $332,247 after provision for depreciation of $103,722 is revealed in the financial statement of Canadian Industrial Alcohol Co. for the fiscal year ended September 30, 1932. After various charges, deficit for the year was $369,440 against $504,130 in the preceding period. Profit and loss deficit now stands at $3,410,511 since the company brought forward a deficit of $3,041,071 from the previous year.

Though no depreciation was provided last year, several new charges make their appearance, such as $77,145 for maintenance of stock of spirits; $161,105 interest on bank loans and $102,683 for overhead expense of the company's own and associated non-operating plants.

Profit and Loss Figures

Following is a comparison of profit and loss accounts for the past two years ended September 30:

	1932 $	1931 $
Operating loss	10,351	*332,241
Inventory adj.	12,000	103,722
Loss on contract	......	35,000
Int. tax claim	6,156	34,210
Maint. of spirits	77,145	......
Int. on loan	161,105	......
Non-oper. exp.	102,683	......
Deficit for year	369,440	504,130
Add prev. surp.	‡3,041,071	1,961,178
Former cos. surp.	......	1,296,463
Less:		
Assoc. cos. w/o	......	4,710,511
Res. for amts. owing	......	1,084,071
Deficit forward	3,410,511	3,041,071

*After depreciation of $103,722.
‡Deficit.

Working Capital		
Current assets	6,298,694	6,603,676
Current liabilities	2,777,484	3,209,709
Net work. capital	3,521,210	3,393,967

Pays Off Tax Claim

Features of the balance sheet include final payment of the Dominion government sales tax claim, which totalled $199,196 at the end of the previous year, and was shown at $929,000 in 1929. Another interesting item is creation of $5,000,000 of six per cent first mortgage bonds due January, 1937. These are held by the Canadian Bank of Commerce as additional security for bank loans.

Among assets inventories bulk large, amounting to $6,298,694 compared with total assets of $12,765,672. Inventories are lower by $196,000 while amounts owing by and shares in associated companies, less reserve of $1,084,287, are lower by $660,000 at $1,094,229. An analysis of this shows that amounts owing, less reserve, have been reduced by $545,000 during the year, and now total $959,522. It is pointed out that the collectibility will be affected by the results of court action recently decided by a judgment of the Privy Council.

Shares of Consolidated Distilleries and Robert McNish and Co. are still carried at $1, and shares of Canadian Industrial Alcohol Co. of Manitoba are valued at $134,704 a reduction of $116,000. Fixed assets less reserve for depreciation are marginally lower at $5,151,524.

Creates Bond Issue

In liabilities a former tax claim of $199,196 nas been paid off. Accounts payable, including estimated liability under purchase contracts outstanding, total $72,195 compared with $54,229 at the end of the previous year. Bank loans total $2,750,000 from which cash in bank of $77,482 has been deducted leaving a total carried out of $2,672,517. This compares with bank loans of $2,688,100 and overdrafts of $22,623 in the previous year.

Notes payable of $195,103 shown in the preceding report have been eliminated. Creation of a $5,000,000 bond issue, held by the bank, makes its first appearance.

Powell River Reduces Newsprint Prices By $5

From Our Own Correspondent

MONTREAL. — Powell River Co., newsprint operator on the Pacific Coast, has reduced its newsprint price $5 a ton f.o.b. Pacific Coast ports effective January 1. The company is guaranteeing contract purchasers against a price increase above $48.50 for 1934 and above $52.50 for 1935.

Crown Zellerbach also announce a reduction to meet the price set by Powell River Co. Contracts now standing at higher prices which extend into 1933 will be reduced to the new price as of January 1.

New Brunswick Ships Trees

About 150 carloads of Christmas trees will leave the Province of New Brunswick this year for the United States, according to present indications.

BRUCK SILK MILLS RECORDS INCREASE IN NET EARNINGS

Working Capital Higher Bank Loans Are Paid Off

From Our Own Correspondent

MONTREAL. — Gross trading profit of Bruck Silk Mills in the fiscal year ended October 31, 1932, was $306,496, compared with $292,961 in the previous year. Expenses were reduced by about $10,000 and net operating profit at $135,078 compared with $111,036 in the preceding period. After all charges, net income was equal to 28 cents a share on the common stock, against 8 cents a share reported in the previous year.

No disbursements have been made on the common stock in the past 2 years and surplus was increased to $411,970, after deduction of $4,215. This sum, representing profit on bonds redeemed in 1931, was added to surplus in that year but last year was deducted and transferred to contingent reserve. In addition a profit of $5,932 realized on bonds redeemed in the past year was transferred directly to contingent reserve.

Profit and Loss Figures

Following are details of profit and loss for the past two years ended October 31:

	— October 31 — 1932 $	 1931 $
Gr. trad prof.	306,496	292,961
Expenses	171,418	181,925
Net oper. profit	135,078	111,036
Mortgage int.	39	140
Bond interest	32,074	33,000
Bd. disc. amort.	2,000	2,000
Depreciation	70,706	67,744
Income tax	2,000	......
Net income	28,258	8,152
Surplus	28,258	8,152
Prev. surplus	387,927	375,560
	416,185	383,712
Profit *	(c)	4,215
	416,185	387,927
fAdjust	4,215	......
Balance	411,970	387,927

(c) Profit of $5.932 on bonds redeemed added directly to contingent reserve.
(f) Profit on fonds redeemed in 1931 transferred to contingent reserve.
* On bonds redeemed.

Working Capital	1932 $	1931 $
Current assets	430,094	431,277
Current liabilities	96,361	132,878
Net capital	333,733	298,399

Bank Loans Eliminated

Balance sheet shows current assets maintained with current liability sharply lower, reflecting elimination of bank loans. Among assets, cash is higher by $6,000 at $22,428 and cash value of life insurance of $200,000 is up $4,000 at $24,842. Accounts receivable are down $7,000 at $88,320 and inventories are lower by $5,000 at $291,002. It is pointed out that the management has valued inventories at about 15 per cent under market price, which in turn was below average cost price during the year.

Investments at cost, including bonds of the company purchased, total $3,830; discount on bonds is lower by $2,000 at $6,917, and property account, less depreciation of $368,846, is carried at $895,262, compared with $911,706 in the previous year.

Establish Contingent Reserve

Noteworthy on the liability side of the ledger is the elimination of bank loans which total $41,000 at the end of the previous year and payment of a mortgage of $2,000. Liabilities also include establishment of a contingent reserve of $10,147 resulting from profit on bonds redeemed in the past two years. During the year $16,000 of first mortgage bonds were redeemed, leaving outstanding $477,700.

In his remarks to shareholders, I. I. Bruck, president of the company, stated that sales during the year were 38 per cent ahead of the previous year in respect to yardage and actual value of sales was 11 per cent in advance of the previous year.

TRINITY APTS. FORMS PLAN TO REORGANIZE

Bonds in Default Since April —Tax Arrears Are Problem

From Our Own Correspondent

MONTREAL — Holders of $160,000 6½ per cent first mortgage bonds of Trinity Apartments will meet on Dec. 29 to consider a proposal of reorganization. Interest due April 1, 1932, is in default and the company is faced with arrears of taxes. Plan calls for sale of the company to a new organization.

Capital structure of the new company will comprise $160,000 of bonds and 1,600 shares of no par common stock which will be distributed among bondholders rateably upon surrender of their holdings. The new bonds will be dated Dec. 1, 1932, and will mature Dec. 1, 1952. Interest at the rate of 4 per cent will be paid out of net income up to 1937 and only when such income enables a disbursement of at least 2 per cent of the principal amount of bonds. After 1937 interest will become a fixed charge at the rate of 4 per cent.

Bondholders will be asked to sanction a first mortgage on the property to secure payment of a loan of $30,000 bearing interest at 6½ per cent. Proceeds will be used to defray current taxes and debts and costs incidental to formation of the new company.

Trinity Apartments owns a three story apartment house in Montreal. Bonds were sponsored by W. A Mackenzie Co.

Bishop Realty Corp. Offers Cash For Bonds

From Our Own Correspondent

MONTREAL — Holders of $182,000 six and a half per cent refunding general mortgage bonds of Bishop Realty Corp. will meet on Feb. 1 to discuss a proposal whereby their bonds will be exchanged for cash totalling $134,614. It is also stipulated that certain charges will first be deducted from this sum, which is now in the hands of the trustee, such as money owing by the company to the trustee and certain legal charges. Interest on the bonds due Aug. 1 has not been paid.

If bondholders approve this plan they will surrender to the trustee for concellation their bonds with all coupons maturing on and after Aug. 1, 1932, against payment of cash specified. They will authorize the trustee to distribute this cash rateably among the bondholders as securities are surrendered and will release the company and the whole of the mortgage premises from the trust deed.

Bishop Realty Corp. owns the Medico-Dental Building in Montreal, and the six and a half per cent bonds were issued by W. A. Mackenzie and Co. in 1930 to acquire the site.

ADVERTISING LINAGE BELOW SEPTEMBER

But October Figures Lead All Previous Months Since February

From Our Own Correspondent

MONTREAL. — October. newspaper advertising linage, as compiled by Media Records Inc. and published by Editor and Publisher, amounted to 78.9 per cent of the same month last year, as compared with the August. 1932, low of 74.3 per cent. In comparison with the past four-year average, October linage amounted to 65.2 per cent.

In general advertising, the comparisons with 1931 show that October, although lower than September, was ahead of all previous months since last February. Automotive linage, although slightly ahead of September in comparison with 1931, set a new low record when matched against the averages of the past four years.

Classified advertising was the bright spot in newspaper linage statistics for October. Its rise of 800,000 lines from September to October was considerably more than the seasonal rise and as a result the index rose to 84 2 per cent of the October, 1931, linage, and to 70.3 per cent of the October average for four years 1928-31 inclusive.

LOW EXPORT PRICES HAMPER EARNINGS

Distillers Corp. Shareholders Told of Difficulties Encountered

From Our Own Correspondent

MONTREAL—Price-cutting in the export market for liquor continues unabated, which has forced Distillers Corp.-Seagram's to reduce selling prices in this important territory, according to remarks made by Samuel Bronfman, vice-president of the company, at the annual meeting of shareholders. He stated, however, that the company had been able to maintain and even improve its position in the export field, and that its brands had been able to secure the major portion of business available. It was to be regretted, he said, that opportunity for enhanced profits on the part of all units in the industry should be lost by ruthless cutting of prices.

Referring to the recent reduction in excise duty, Mr Bronfman continued:

"You are no doubt aware that following the recent Ottawa Conference the excise duty on domestic liquors was reduced, thereby enabling the Provincial Liquor Commissioners to considerably reduce their retail prices. It is hoped that reductions will be of benefit to the industry generally and be a factor in encouraging the sale of spirituous beverages through legitimate channels. High duties act as an incentive and are unquestionably responsible for extensive smuggling of alcohol which is concocted and sold in bottled form under the labels of genuine brands without the payment of lawful duties to the Dominion Government and with resultant loss to the Provincial Governments, who thereby lose the opportunity of sales through their legal channels.

"You will recollect a dividend of 25 cents per share was paid during the fiscal year under review. In view of the uncertain condition of trade generally and the adverse conditions existing within our industry, your directors decided in February last to discontinue for the time being payment of quarterly dividends and in the meantime conserve the resources of the company. Your directors will be guided as regards future dividend policy by the progressive results of the company's operations. You may rest assured that the payment of dividends will be resumed as soon as possible and with due regard to the interest of the shareholders and of the company as a whole."

TRAFFIC INCREASES IN WELLAND CANAL

Increased Grain Shipments Aid Sault, St. Lawrence Canals Also

Traffic through the St. Lawrence and Welland canals increased materially in October compared with the same month of 1931, chiefly due to increased grain shipments. Because of lower tonnages of iron ore, the Sault St. Marie, Canadian and United States canals. did not handle as much traffic as in October, 1931, according to the Dominion Bureau of Statistics

For the fifth consecutive month the Welland ship canal has shown an increase in freight using the canal. compared with 1931 records. Wheat increased from 280,835 tons in 1931 to 401,786 tons, corn from 14,645 tons to 72,215 tons. merchandise from 48,066 tons to 115,106 tons, bituminous coal from 230,287 tons to 322,594 tons. pulpwood from 2,235 tons to 44,456 tons, gasoline from 20,971 tons to 43,661 tons, and freight from 850,582 tons to 1,251,829 tons.

Total traffic using the St. Lawrence canals during October amounted to 1.013,542 tons as against 794,975 tons in 1931. All grains showed increases, wheat leading with an increase of 108,380 tons, or from 288,371 to 397,751 tons. Merchandise also increased from 66,347 tons to 149,025 tons and gasoline from 10,286 tons to 33,936 tons. From the opening of navigation to the end of October, the total freight tonnage was 5,902,447 tons in 1932 and 5,341,588 tons in 1931.

Dominion Bridge Holds Vancouver Contract

From Our Own Correspondent

MONTREAL—Dominion Bridge Co. has obtained a tentative contract, valued at around $1,000,000, for construction of a new span and repairs to the Burrard Bridge over the second narrows at Vancouver. Commencement of the work awaits an order-in-council which will give the Vancouver Board of Harbor Commissioners power to loan money to the Burrard Bridge Co. to carry out the work.

The contract was awarded to Dominion Bridge by the receiver of the Burrard Inlet Bridge & Tunnel Co., but the Federal Government refused to give its consent to construction agreement until its legality had been established. The receiver has submitted plans and the tentative contract to the courts, which gave their approval.

SAFETY OF CAPITAL—CERTAINTY OF INCOME

Make Your Will

A man without a will often results in a widow without an income.

Name this company your executor.

CROWN TRUST COMPANY
EXECUTORS TRUSTEES AGENTS

Crown Trust Company
393 ST. JAMES STREET • MONTREAL

LET US SERVE YOU AND YOUR FAMILY

Black Armstrong
Real Estate, Valuations, Rentals, Farm Lands, Mortgages and Insurance
200 Toronto General Trusts Bldg.,
Winnipeg, Manitoba

TOOLE, PEET CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

OSLER, HAMMOND & NANTON
LIMITED
WINNIPEG

STOCKS and BONDS
INSURANCE—FIRE, HAIL, CASUALTY, etc.
MORTGAGE INVESTMENTS

DOMINION TEXTILE CO., LIMITED

PRUE

MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

Canadian Investment Fund, Ltd.

Special Shares

ROYAL TRUST COMPANY, MONTREAL, CUSTODIAN

The following is subject to more complete statements contained in the offering circular and in the Company's Letters Patent:

COMPANY Canadian Investment Fund, Ltd. has been organized under the laws of the Dominion of Canada with a view to providing a medium for diversified investment under careful supervision. The present portfolio consists largely of securities of Canadian companies and American companies carrying on business in Canada.

CAPITALIZATION The authorized Capital Stock of the Company consists of 5,000,000 Special Shares of a par value of $1.00 each and 1,000 Ordinary Shares of a par value of $1.00 each. The two classes of shares are in all respects alike, except that the holders of Special Shares have the right to have their shares redeemed as set forth in the offering circular, and they have the exclusive right of electing Directors. Shareholders have no preemptive right to purchase additional shares. Shares may be issued from time to time upon payment to the Company of an amount equivalent to their approximate liquidating value based on current market value of the Company's assets.

RESTRICTIONS The Letters Patent provide that not more than 5% of the Company's assets may be invested in securities of any one issuer (except the Government of the Dominion of Canada or of the United States of America) if, after stipulated notice, holders of one-third or more of the shares object. As described in the offering circular, a list of securities owned by the Company is to be made available to shareholders. No firm of which any officer or director of the Company is a member may act as principal in the purchase or sale of securities for the Company's portfolio. The Company is prohibited from borrowing money, buying on margin or selling short.

DIVIDENDS The Board of Directors has announced the policy of distributing quarterly to shareholders approximately their pro rata share of net cash income, including proceeds of sale of regular stock dividends. Profits and losses on sales of securities will not be taken into income account. It is proposed to make such distributions on February 1, May 1, August 1, and November 1, to holders of record on the 15th day of the preceding month, such distributions to commence May 1, 1933.

MARKET The Letters Patent provide that upon the request of any holder of Special Shares the Company shall, but only out of surplus, redeem such shares at their liquidating value.

SUPERVISION The Directors have retained the firm of Calvin Bullock to furnish the Company with statistical information and advice and, subject to the control of the Board of Directors, to supervise the Company's investments for a fee at the rate of 7½% per annum of the net profits of the Company adjusted by any unrealized depreciation. This fee is to be determined and paid quarterly. It is to be paid in any period only to the extent that there are available accumulated net profits from the sale of securities after deducting all charges against such profits including prior compensation and income taxes and after deducting any unrealized depreciation. Any amount by which the fee payable in any period is so reduced is to be carried forward and paid out of accumulated net profits of subsequent periods. To the extent that realized profits are reduced by unrealized depreciation the amount thereof is also carried forward into subsequent periods. Unrealized profits will not be taken into consideration in determining the fee except upon termination of the agreement.

Directors of the Company other than those participating through the above management agreement will receive as a group compensation for their services at the rate of 7½% per annum of the net profits of the Company computed in the above manner. They will each in any event receive annual compensation of $1,200.00 which will be a charge against any compensation computed in the above manner.

DIRECTORS The Board of Directors includes: Right Hon. Sir Robert Borden, Hon. L. A. Taschereau, Sir Charles Gordon, Hon. Charles A. Dunning, Hon. C. C. Ballantyne, Calvin Bullock, Esquire, Norman J. Dawes, Esquire, Arthur B. Purvis, Esquire.

All legal matters in connection with the issue of these shares have been passed upon by Messrs. Meredith, Holden, Heward & Holden of Montreal and by Messrs. Sullivan & Cromwell of New York.

Price on Application

Calvin Bullock, Ltd.

Utilities and Transportation

SHAWINIGAN NET DURING OCTOBER AT BETTER LEVEL

Dividends For Month Covered Nearly Twice Over

From Our Own Correspondent

MONTREAL. — Earnings of Shawinigan Water and Power Co. in October were almost double dividend requirements in that period, after making all provision for exchange, depreciation, and all taxes, as well as making allowance for doubtful accounts. Definite figures, which were submitted to directors at a recent meeting, have not been made public. At current dividend rates of $1 annually, monthly dividend requirements are 8.33 cents a share.

Sales of current for domestic purposes and small power users, compare favorably with last year's figures, which indicates an improvement in the general situation as compared with early months of the year. Retail sales are handled by the commercial and distribution department, selling in Three Rivers, Sorel, Shawinigan Falls, and other industrial districts in Quebec.

Chemical Units Active

It is also reported that the chemical plant operated in October at a higher capacity than any month since March, 1930. The company is filling a large order which is being shipped abroad and indications are that the contract will be extended for a further period of six months. In this light, the chemical plant will operate on the higher capacity for some months to come.

Result of these operations is reflected in earnings of the company through the sale of primary power, and has been beneficial to the unemployment situation in Shawinigan Falls where the chemical plant is located.

During October, Shawinigan sold 266,534,276 kw.h. of electric energy as compared with 233,740,172 kw.h. in September. Both these totals, however, were somewhat less than figures recorded for the same months last year.

Power Exports in October Lowest in Many Years

Central Station Output Shows Gain Over September —Quebec is Feature With Increase Reported Over October Last Year

From Our Own Correspondent

MONTREAL.—Figures covering October output of central electric stations in Canada were featured by the continued drop in exports of power. These totalled but 50,737 thousands of kw.h. a drop of nearly 21,000 thousands of kw.h. from the previous month and comparing with 95,423 thousands of kw.h. in October last year. Exports in October last were the lowest to be reported in any month for many years.

Aside from the unsatisfactory situation in exports, total output of central electric stations in October showed a relatively small decline from the same month last year. All districts reporting showed seasonal gains over September and Quebec production was featured by an increase over October, 1931.

Total output of all central electric stations in October amounted to 1,390,128 thousands of kw.h., an increase of 111,000 thousands of kw.h. over September and a decline of but 38,000 thousands of kw.h. from production in October last year.

Quebec is Feature

Quebec was only district to show an increase in power generated by water in October as compared with same month last year. Output was 763,577 thousands of kw.h. an increase of 76,000 thousands of kw.h. over September and a gain of 27,000 kw.h. compared with October, 1931. Production in October this year was the greatest to be reported during any month in 1932.

In Ontario output totalled 348,530 thousands of kw.h. This was an increase of 11,000 thousands of kw.h. over the previous month but a decline of 36,000 thousands kw.h. from October last year. Ontario reported its highest output in March; after a relapse figures have shown monthly gain since July.

Maritimes Near 1932 Peak

Output of central electric stations in the Maritimes during October was 50,889 kw.h. an increase of 2,800 kw.h. over the preceding month and the highest figure to be recorded in any month this year, with the exception of April. October production, however, was down some 5,000 thousands of kw.h. from the same month last year.

In the Prairies, October production was 104,780 thousands of kw.h. This compared with 91,485 thousands of kw.h. in the previous month but a decline of 19,000 thousands of kw.h. from October last year. Power generated by fuel in this territory totalled 16,072 thousands of kw.h., an increase of nearly 3,000 thousands of kw.h. over September and a slight gain over October, 1931.

Seasonal Gain in B. C.

British Columbia water power output in October this year showed an increase of 3,400 thousands of kw.h. over September at 94,878 thousands of kw.h. Production in October last year was 101,428 thousands of kw.h.

Power generated by fuel in all other provinces but the prairies amounted to 11,402 thousands of kw.h. an increase of 9 per cent over the preceding month but a drop from the 12,306 thousands of kw.h. reported in October, 1931.

Average daily output of all central electric stations in October was 44,843 thousands of kw.h. comparing with 42,638 thousands of kw.h. in the preceding month and with 45,980 thousands of kw.h. in October, 1931.

EMPIRE TREATIES HIT U.S.A. TRADE BY $150,000,000

Tabulation Made of 17 Leading Classes of Goods Affected

During the 1931 calendar year, on the basis of available figures, Canada bought from the United States a total of $66,632,477 worth of products affected by the new Imperial Economic Conference agreements and the United Kingdom bought some $82,000,000 of such products, a total for the two Empire nations of nearly $150,000,000. Purchases by Canada from the United Kingdom on the same basis were only $42,946,138, according to the Chamber of Commerce of the United States and the United States Department of Commerce.

This study includes only goods on which additional preferences have been granted in Canada to the United Kingdom. Other former preferences also remain in force.

Of the products affected by the new agreements, 17 major classifications are shown in the table below. In addition to those shown, it is estimated that there are imports of $3,000,000 from the United States and $1,000,000 from the United Kingdom omitted because exact statistics are lacking.

The 1931 trade in affected classes of goods was as follows:

Products Affected by Imperial Conference Agreements

—1931 Calendar Year— Canadian Imports from	U. S. $	U. K $
Agric. products	1,889,426	84,957
Beverages	178,883	19,698,697
Books, paper	3,024,757	1,052,296
Chemicals, etc.	8,416,625	1,691,496
Clay products	59,561	2,417,006
Cutlery	1,126,958	614,438
Glass	662,950	484,146
Leather, hides	2,617,307	264,995
Machinery	8,562,431	1,253,110
Metals, etc.	17,058,020	2,960,803
Oils	3,450,373	708,192
Rubber, etc.	284,736	32,917
Sports goods	77,168	83,662
Textiles	8,121,486	10,558,154
Tobacco	180,737	501,007
Vehicles	8,377,251	455,8[illegible]5
Miscellaneous	2,594,078	85,237

Although the potential diversion of United States exports from Great Britain amount to $82,000,000, the probable actual diversion will be much smaller, the Department of Commerce says. The products subject to the preferences amounted to 18 per cent of the total United States exports to Great Britain in 1931.

The actual extent to which trade will be diverted can only be ascertained by experience, the department says. It also states that British import trade will be affected by many other influences than preferences, and that the ability of the Empire to supply goods formerly imported from the United States will be an important factor.

Maritime Tel. & Tel. Toll Traffic Declines

From Our Own Correspondent

MONTREAL.—October toll traffic on the lines of Maritime Telegraph and Telephone Co. showed a falling off in volume. There were 103,760 calls during the month, of which 110,525 were completed, for a percentage of 93.8. The average percentage of completed toll traffic for Class A exchanges was 92.9 and Class B exchanges 96.2.

A net loss of 282 in subscribers stations was reported during October, 1932, as compared with the number reported at the end of September. Stations installed declined from 39,898 to 39,616. Connecting companies also reported a small loss, stations installed numbering 6,586 at the end of September and 6,576 at the end of October, 1932. The Island Telephone Co., controlled by Maritime Telegraph, reported a loss of 43 in stations installed, the total now being 5,668.

Montreal Power Operates Plant at Ste. Genevieve

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat and Power Cons. will take over operation of the Pierrefonds electric plant at St. Genevieve on December 14 net. This plant furnishes light and power to Ste. Genevieve, Ile Bizard, Dollard des Ormeaux, Pointe Claire parish, Ste. Genevieve de Pierrefonds parish and Cap St. Jaques.

Consequent upon this deal residents of the district served by the Pierrefonds plant will have the cost of their power and light decreased from 10 cents to 3 cents a kilowatt hour, or the same rate as applies to the Greater Montreal area.

Cement Production in August

Portland cement production in Canada amounted to 510,097 barrels in August, an increase of 11.6 per cent over the preceding month's total of 457,246 barrels but a 54.4 per cent decline from the August, 1931, shipments of 1,118,482 barrels

GATINEAU POWER INCOME EXCEEDS SENIOR CHARGES

(Continued from page 1)

available for interest and depreciation was $8,363,907, as against $7,318,681 in the preceding twelve months. After interest on first mortgage bonds and prior liens, there was a balance of $4,818,605 to take care of depreciation, debenture interest and other charges, compared with $3,983,356 for 1931.

Prospects For 1932

It is now apparent that for 1932 there will be a gross income of over $9,000,000. There will be an increase of about $90,000 in revenues from the Ontario Hydro-Electric Power Commission; an increase in revenues from Ottawa Electric Co., an increase in retail sales (the retail properties were not acquired by Gatineau Power Co. until April, 1931, while the 1932 statement will include a full year's revenues from these properties), and probably a small decrease in revenues from International Paper mills due to withdrawals of secondary power, now being used for production of steam at the mills, in order to meet the increases in the Ontario Hydro and Ottawa Electric contracts.

At present Gatineau Power capital set-up includes $70,604,000 of 5 per cent mortgages, on which both principal and interest are payable in New York funds. There are $18,643,000 of debentures outstanding, both principal and interest also payable in New York funds. Of the capital stock $25,000,000 represents 6 per cent cumulative preferred and $2,500,000 common stock, both of which issues are held by Canadian Hydro-Electric Corp.

Company's Principal Task

The company's principal task is to meet its operating costs, depreciation and amortization charges, and interest on the first mortgage bonds. After that comes debenture and other interest and dividends on capital stock. What are the company's prospects of covering these charges?

Sources of Income

Last year Gatineau had a total income of $8,759,875, not including a profit on exchange amounting to $114,232. Of this sum $4,288,298 came from Ontario Hydro, virtually all of which was payable in American funds. Some $374,000 came from other public utility and municipal consumers; $751,763 from retail sales, domestic, commercial, etc.

Mills controlled by International Paper contributed $2,096,731 for motive power and $494,531 for generation of steam by electricity. Other wholesale industrial consumers, including Canada Cement, E. B. Eddy Co. and Fraser Cos. paid to Gatineau $534,839.

The balance, amounting to a little over $200,000, came from investments, interest during construction, profits on merchandise sales and miscellaneous sources.

Extend Senior Charges

Administration, operating and maintenance expenses and taxes cost Gatineau Power last year in the neighborhood of $1,300,000. Added to this was interest on bonds and prior liens amounting to $3,440,780, or a total of about $4,740,780. If depreciation and amortization charges on storage work, which do not represent cash outlay, are included, the company would require $5,315,000 to cover expenses, interest on first mortgage bonds and prior liens and depreciation and amortization charges.

Ability to Pay

What are the possibilities of meeting these charges? Gatineau's income from its Ontario Hydro contracts, together with sales to other utilities and retail outlet, is enough to cover these charges. It amounts to $5,414,700. Remembering that Hydro pays in American funds, there is sufficient income from these three sources to take care of the senior charges, including the payment of interest in New York funds.

There is the additional cushion of revenue from Canadian International Paper, E. B. Eddy Co., Canada Cement, Fraser Cos. and miscellaneous sources, which last year amounted to over $3,200,000. This is available for debenture interest, dividends, etc.

Newsprint Situation

Considerable comment has been heard about the ability of the company to maintain its revenue. It is pointed out that the newsprint situation is far from being in a healthy state and that it is quite possible the paper mills of International would not be able to maintain their position.

It is true that the Gatineau mills of International are not operating at capacity. In the event of some agreement being arrived at between the newsprint producers, or that the much-talked-of consolidation is effected, it does not follow that the Gatineau mills will be entirely closed down. These mills are recognized as low cost paper producers and no matter what happens, it is to be expected that they will be operated, even if on a lower basis than at present.

Contract for Service

Even though International does not need the power at the Gatineau paper mills, there are certain minimum power requirements which must be met. This feature is often overlooked.

Incorporated in the trust deed securing the Gatineau first mortgage bonds are certain contracts entered into by Canadian International Paper, beginning July, 1926, and running for 30 years or more, calling for the purchase of a minimum of 77,000 h.p. Though no official statement has ever been made on the point, it is understood that the power costs Canadian International close to $16 a horsepower. It is also provided in this contract that in the event of the company being taken over the new owners must assume the responsibility for carrying out the terms of the contracts.

Have Good Customers

Other wholesale consumers like Ottawa Electric, Canada Cement, E. B. Eddy and Co. are well able to take care of their obligations. Such confidence is not felt in the case of Fraser Cos., which recently went through a reorganization. Fraser Cos. purchase 20,000 h.p. from Gatineau through a subsidiary. This power is essential to the Fraser operations, so it is to be expected that every effort will be made to meet the power bills.

Adverse Features Present

As far as one can foresee Gatineau Power is in a position to meet all of its senior charges from Ontario Hydro and the other two sources mentioned. Ability to pay debenture interest and dividends on capital stock, the latter being owned by Canadian Hydro-Electric, depend almost entirely upon Canadian International Paper living up to the terms of its contract. It would be foolish to deny the possibility of C. I. P. having to default on its obligations in view of the present trying times in the newsprint industry. Even in the case of default, however, sufficient revenue remains to take care of the senior charges.

Dividends on Capital

There has been criticism of the fact that Gatineau Power has paid dividends on the capital stock, all of which is owned by Canadian Hydro-Electric Corp. Nothing in the company's by-laws or in the Company Act prevents the company making distribution on its capital stock provided its ranking obligations have been fulfilled.

Gatineau Power paid no dividends on its stock prior to 1930. It paid preferred dividends of $1,000,000 in 1930 and $2,000,000 in 1931. The 1931 payments represented the regular 6 per cent rate plus 2 per cent on account of arrears. This resulted in a small reduction in surplus for 1931, but this was more than offset by additions to surplus in previous years, which amounted to $324,628 in 1930 and $452,789 in 1929. The balance of earned surplus at December 31, 1931, after payment of these dividends was $1,091,261.

Advances to Gatineau

The indebtedness of Gatineau Power to Canadian Hydro-Electric has often been mentioned, it being suggested that this item might rank ahead of the mortgage in the event of a receivership. This indebtedness is represented by open account advances and there is no basis for the statement that these might rank ahead of the mortgage bonds. As a bona fide obligation for value received it does, of course, rank equal, but not ahead of, other unsecured creditors, such as the debenture holders.

Along these lines it has also been asked, granted Gatineau Power can pay its way, what is to prevent the loan of large sums to one of the International companies? There is only one answer to this—it would not be permissible under the Company's Act. It might also be asked —where would Gatineau get the money to lend?

Shawinigan Stock Rumor

There are three other points usually brought up in any discussion on Gatineau Power. One is that the company is reported to be holder of a large block of Shawinigan stock, passed along to the subsidiary by International Paper at a relatively high price.

Gatineau Power does not hold any Shawinigan stock. Canadian Hydro-Electric, the parent company, has an investment of less than $400,000 in Shawinigan stock, which it acquired some time ago from International Paper Co. as part of the general plan for segregating the utility interests of International Paper and Power Co. from its paper interests. Payment was made at current market of the day the transaction was consummated.

Value of Preferred

The second point is the statement that the funds raised through the public should have been sufficient to take care of all capital costs and that the capital stock given to Canadian Hydro is out of proportion to the value received and consequently too much is paid out in dividends.

It is officially stated that the funds raised by the sale of bonds and debentures did not fully cover the cost of construction of the plants controlled by Gatineau Power Co., additional expenditures having been made from time to time out of earnings and out of funds advanced by Canadian Hydro-Electric.

For Value Received

In return for the $25,000,000 of preferred stock, Canadian Hydro transferred to Gatineau Power (1) lands and water power rights on the Gatineau at Chelsea (present development, 136,000 h.p.).

(2) Lands and water power rights on the Gatineau at Farmers Rapids (present development 96,000 h.p.).

(3) Certain lands and water power rights which were necessary in addition to the lands, rights and leases acquired from the Canadian Pacific Railway to enable Gatineau to develop the Paugan site on the Gatineau River up to its present installed capacity of 238,000 h.p.

(4) Lands and water power rights on the Ottawa River at Kipawa (present development 24,000 h.p.).

At the time the transfer occurred not only had definite plans been completed for the development of the whole Gatineau River project but contracts for the sale of this power had been executed.

The consideration given by Gatineau Power covered not only tangible assets but also all the preliminary stages of the work which had already been completed either by International Paper Co. or by Canadian International Paper Co., as well as the negotiations with the government for the rights necessary to develop the Gatineau River, the storage agreement with the Quebec Department of Lands and Forests, the sales contracts for power and numerous other intangible considerations which were essential to the success of the Gatineau Power enterprise.

Has Own Set-up

The last consideration is the fear expressed that in the event of the newsprint situation causing a breakdown of the International Paper and Power set-up, would not Gatineau Power be involved? It does not follow that if International collapsed, Gatineau Power would also go. The latter has a separate corporate entity, and any trouble involving the parent concern would not necessarily involve the subsidiary. Control might pass to different interests, but Gatineau would continue on its own course. The break-up of the International organization would affect Gatineau Power, but only in the relations as existing between the company and Canadian International Paper for the supply of power under contract to the paper mills.

Summary of Situation

The Gatineau Power situation can be briefly summed up as follows: As far as can be determined there is no reason to believe that revenues will fall below a point endangering payment of the first mortgage interest charges; payment of debenture interest and dividend on the capital stock which in turn has a bearing on Canadian Hydro's ability to pay dividends on its first preferred stock, is influenced by the situation surrounding Canadian International Paper.

Public Utility Earnings

Mexico Tramways, Light and Power Group

October	1932 Pesos	1931 Pesos	Decrease Pesos
Mexico Tramways & Subsidiaries			
Gross earn.	727,050	795,510	68,460
Op. & depr. exp.	952,730	838,950	†113,780
Net earn.	*225,680	*43,440	182,240
Aggre. gross from Jan. 1	6,740,400	7,762,320	1,021,920
Aggre. net from Jan. 1	*2,135,070	*772,430	1,362,640
Mexican Light & Pwr. & Subsidiaries			
Gross earn.	2,256,980	2,034,200	†222,780
Op. & depr. exp.	1,411,730	1,074,280	†337,450
Net earn.	845,250	959,920	114,670
Aggre. gross from Jan. 1	21,575,110	19.8[illegible]3,505	†1,741,605
Aggre. net from Jan. 1	7,863,680	8,600,710	737,030

*Deficit. †Increase.

Duff Report Minus C. N. R. Capital Plan

Issue Is, in the Main, Dodged By Royal Commission—Many Serious Aspects of Matter Demand Consideration

By F. S. C.

Obviously the recommendation made by the Royal Commission on Railways and Transportation regarding the recapitalization of the Canadian National Railways was a compromise and it was therefore really no recommendation at all. It is known that among the men who served on the commission there were those who strongly held that the C. N. R. balance sheet figures should be brought within measurable distance of figures based upon earning power or sale value while others held with equal tenacity to the view that the capitalization should be left where it is partially as an object lesson to the Canadian people and partially in a desire to see how high a minimum could be fixed for capitalization after a real test of economy had been made.

The compromise recommendation reached was as follows:

> "While this commission is of opinion that it must be frankly recognized that a very substantial part of the money invested in the railways comprised within the Canadian National System must be regarded as lost and that its capital liabilities should be heavily written down, they do not consider that the time is opportune to deal with this important matter.
>
> "This question as well as that previously referred to, dealing with the present involved financial structure of the Canadian National System, should, in the opinion of the commission, have the early attention of the Board of Trustees, which it is recommended should be entrusted with the control and management of the system."

Three Chief Liabilities of C. N. R.

Among the liabilities of the Canadian National Railways three brief items appear:

Capital stocks outstanding	$ 270,000,000
Bonds in hands of public	1,276,000,000
Due Dominion government	1,393,000,000

The capital stock item can be quickly dismissed. The shares are largely in the hands of the Dominion treasury and were mostly acquired without any investment.

Roughly speaking the real capital obligations of the C. N. R. are the $1,300,000,000 due the public and the $1,400,000,000 due the government.

The whole burden of this capital liability rests upon the taxpayers of Canada, who are relieved only by the extent to which the National earns a net operating profit. As the earnings available to keep pay interest averaged only $24,414,447 per annum between 1923 and 1931, it is apparent that the major portion of the burden is borne by the taxpayers. If one were to take this figure of about $25,000,000 as the real net earning power of the National and capitalize the road on a five per cent basis it would mean starting it off with a $500,000,000 debt to the government. In other words, in addition to writing out of the balance sheet the $250,000,000 of capital stocks and the $1,400,000,000 of government accounts, it would be necessary to transfer directly to the Canadian funded debt about $800,000,000 of the National's own direct debt to the public.

Points Made Against Recapitalization

Since the railway in a nine-year period did no more than justify about a $500,000,000 capitalization, since the taxpayers serviced the balance of the debt in any event, what are the arguments against writing down the capitalization to some such figure.

In the first place, the railway is worth more than half a billion dollars and, in fluid money markets, could be sold to private capital for more than that.

In the second place, economical business management, free from politics, has never been given to the C. N. R. and the true earning power under such conditions is something that has never been determined.

It is a moot point whether the excessive capitalization of the National is an incentive to extravagance or a brake upon it. When railway directors know their capitalization is immeasurably high do they not take the attitude that a few more millions will not be noticed? Can executive officers be expected to do their best when the task of earning a full return on a large total of deadweight is thrown upon them? On the other hand is it valuable for the taxpayer to be reminded, every time he looks at the Canadian National balance sheet, that the people he and his father elected to office wasted the nation's substance on riotous railway living?

One Scheme That Was Abandoned

Under Sir Henry Thornton a scheme for recapitalizing the C. N. R. was presented to the minister of railways. It was worked out by the famous $62,000 a year office whose functions in the National railway offices so mystified the House of Commons committee of last year. His plan was simple—to write capital stock down to the value of the actual cash investment of the government in it; to wipe out all loans from the Dominion that represented past deficits; to wipe out accrued interest on loans and a few other items. A schoolboy could have worked out an equally thorough plan in half a day. It would still have left the National Railways with a greater capitalization than its earning power to date would justify.

Balance Sheets of Two Railways

Side by side are presented here the balance sheets of the C. N. R. and the C. P. R. It will be noted that the C. P. R. has relied upon issues of stock more than on issues of bonds to raise money. Dividends on stock can be suspended—as they have been—without threat of foreclosure or receivership:

ASSETS

Invested assets:	C.P.R. $	C.N.R. $
Property	868,000,000	2,201,000,000
Steamships	116,000,000	....
Securities, funds, etc.	187,000,000	55,000,000
Lands and miscellaneous assets	145,000,000	....
Unadjusted debits	....	22,000,000
Working assets	64,000,000	95,000,000
	1,380,000,000	2,374,000,000

LIABILITIES

	C.P.R.	C.N.R.
Capital stocks	422,000,000	270,000,000
Funded debt	450,000,000	1,276,000,000
Due government	....	1,311,000,000
Current liabilities	39,000,000	79,000,000
Unadjusted credits	....	6,000,000
Reserves, etc.	41,000,000	27,000,000
Premium on stocks, etc.	67,000,000	....
Surplus	311,000,000	....
Deficit	... ...	695,000,000
	1,380,000,000	2,374,000,000

Import Aspects to Be Considered

It is pointed out by the Duff commission that the recapitalization problem presents several aspects. One is the very large number of companies whose corporate existence must be maintained. Another is the large number of different bond issues and mortgages with different rates of interest, expiring at different periods and with all sorts of different clauses in them. It has been stated that, included in the National Railway System, there are 251 different bond issues and mortgages; that there are 80 different issues of certificates in the bonds of the public; that there are 139 companies whose corporate existence must be maintained; and that 42 separate income accounts and 90 separate balance sheets have to be prepared each year.

This is the fifth of a series of articles discussing some of the points made in the report of the Royal Commission on Railways and Transportation.

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT - 30th SEPTEMBER, 1932

To Operating Loss for the year after crediting administration fees and expenses charged against Associated Company, and before making any provision for depreciation....	$ 10,351.89	By Loss for the year carried down....	$ 369,440.70
" Interest on Sales Tax Claim, Bond Issue Expense, etc.	6,156.14		
" Additional Reserve against Inventories of Materials and Supplies..	12,000.00		
" Maintenance of Stocks of Spirits	77,145.62		
" Overhead Expense of own and Associated Companies' Non-Operating Plants	102,682.73		
" Interest on Bank Loan	161,104.32		
	$ 369,440.70		$ 369,440.70
To Loss for the year brought down..	$ 369,440.70		
" Balance brought forward from last year	3,041,071.52	By Balance as per Balance Sheet....	3,410,512.22
	$ 3,410,512.22		$ 3,410,512.22

BALANCE SHEET - - 30th SEPTEMBER, 1932

ASSETS

CURRENT ASSETS:			
Accounts Receivable:			
Trade	$ 46,075.03		
Sundry	3,402.03		
	$ 49,477.06		
Less: Reserve for Bad and Doubtful Debts.	6,191.99		
		$ 43,285.07	
Stocks of Spirits at Cost, including Barrels		6,176,113.84	
Materials and Supplies		79,295.24	
			$ 6,298,694.15
AMOUNTS OWING BY, AND SHARES IN ASSOCIATED COMPANIES, AS REVALUED BY THE BOARD OF DIRECTORS:			
Amounts Owing	$2,043,810.40		
Less: Reserve	1,084,287.56		
		$ 959,522.84**	
Shares — Consolidated Distilleries, Limited.		1.00	
Shares—Canadian Industrial Alcohol Company of Manitoba Limited		134,704.47	
Shares — Robert McNish & Company Limited		1.00	
			1,094,229.31
OTHER INVESTMENTS—AT COST			200,000.00
FIXED ASSETS:			
Real Estate, Buildings, Machinery and Equipment, per Appraisal, 31st May, 1925, plus subsequent additions at cost....		$ 4,146,971.71	
Less: Reserve for Depreciation		1,137,628.04	
		$ 3,009,343.67	
Goodwill, Trade Marks, etc.		2,142,180.50	
			5,151,524.17
DEFERRED CHARGES TO OPERATIONS			21,224.83
			$12,765,672.46

LIABILITIES

CURRENT LIABILITIES:			
Bank Loan — Secured under Section 88 of the Bank Act	$2,750,000.00		
Less: Cash in Bank	77,482.02		
		$ 2,672,517.98	
Accounts Payable:			
Trade, including estimated liability under purchase Contracts outstanding	$ 69,465.18		
Sundry.	2,730.37		
		72,195.55	
Accrued Charges, Taxes, etc.		32,771.15	
			$ 2,777,484.68
FIVE YEAR — 6 PER CENT. FIRST MORTGAGE BONDS DUE JANUARY, 1937	$5,000,000.00		
(Held by the Canadian Bank of Commerce as additional security for Bank Loan).			
SHAREHOLDERS' ACCOUNT:			
Capital Stock: Authorized—1,500,000 Shares without nominal or par value, divided into 1,000,000 Voting Shares and 500,000 Non-Voting Shares. Issued—969,480 Voting Shares. 123,435 Non-Voting Shares for a consideration of		$13,398,700.00	
Deduct: Profit and Loss Account —Debit Balance....		3,410,512.22	
Shareholders' Equity			9,988,187.78
Contingent Liabilities: Under guarantee of Debenture Stock of Robert McNish & Co. Limited, amounting to $4,105,820.00 and Interest thereon.			
Notes Receivable under Discount with Bank—$39,515.00.			
			$12,765,672.46

**The collectibility of amounts owing by two Associated Companies will be affected by the results of court actions now awaiting decision before the Privy Council.

APPROVED ON BEHALF OF THE BOARD:

(Signed) SHAUGHNESSY } Directors.
(Signed) L. V. WRIGHT

TO THE SHAREHOLDERS OF CANADIAN INDUSTRIAL ALCOHOL COMPANY, LIMITED:

We have examined the above Balance Sheet dated September 30, 1932, with the books of the Company and have obtained all the information and explanations we have required. Subject to the adequacy of the Reserve for Depreciation and to the fact that no provision for depreciation has been made in respect of the year ended September 30, 1932, in our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the books of the Company.

231 St. James Street, Montreal,
November 24, 1932.

(Signed) DELOITTE, PLENDER, HASKINS & SELLS,
AUDITORS.

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News of Investment Markets

ALEXANDER BLDG. PLAN PRESENTED TO BONDHOLDERS

Propose Income Bond to Replace Present Senior Security

From Our Own Correspondent

MONTREAL. — Bond interest having been defaulted on October 1, 1932, plans have been put forward for a reorganiation of Alexander Building Ltd.

It is proposed that the present first mortgage bonds, to the amount of $1,955,500, should be exchanged for income bonds carrying the same interest rate, namely, 6 per cent, which amount would be paid when earned. These bonds will be dated April 1, 1932, and mature on October 1, 1947.

The bondholders will also be asked at the special meeting to be held early next month to waive their rights on sinking fund payments. It is proposed that in future the company at mid-year will pay to the trustee one-half of all surplus earnings after taking care of bond interest.

Common Stock Offer

Further the bondholders will be given a majority of the common stock. There is no reference in the notice as to the set-up of the board of directors. The plan provides that the present common stock be increased from 10,000 to 30,000 shares. The debenture holders will turn in their security and receive in return all the common shares. Of the stock thus provided the mortgage holders will receive 1 share for each $100 bond held.

Of the total common stock, amounting to over 30,000 shares, 19,555 will be handed over to the bondholders provided that the plan meets with majority approval, 10,000 shares to the debenture holders and the balance or 445 shares will remain in the treasury.

In a letter to the bondholders, Nesbitt, Thomson & Co., who underwrote the bond issue, point out that provided present revenues are maintained, it is expected the company will be in a position to pay 3 or 4 per cent per annum upon the new bonds for the next few years, pending satisfactory improvement in its cash position.

Weak Financial Position

The last balance sheet and income statement issued by the company indicated a weak financial position. On April 30, 1932, assets amounted to $3,083,094, of which $3,001,086 was in land, buildings and equipment, deferred assets $3,468; funds with the trustee, $10,871: current, $9,838 and due from J. A. Jacobs, $57,834.

On the liabilities side of the balance sheet current liabilities are shown at $130,611. Notes payable to Nesbitt, Thomson & Co., together with accrued interest, total $47,165; bond and debenture interest accrued and payable, $11,527; City of Montreal taxes deferred $960; reserves, $228,958. The funded debt stands at $1,955,500 of first mortgage bonds and $300,000 of debentures. Capital stock is given a value of $50,000. There is a capital surplus, resulting from increase in book value of land and buildings over cost, of $669,559, against which is deducted a deficit to date of $311,188.

Regent Knitting Profits by October Operations

From Our Own Correspondent

MONTREAL.—Plant activities and sales of Regent Knitting Mills were well maintained in October and operations resulted in a profit after all charges in that month. Figures for November are not yet available but it is understood they will also show a gain over last year.

Those close to the company expect that earnings in 1932 will be approximately sufficient to cover interest, depreciation and other charges. This will compare with a loss of $131,606 after all charges in 1931.

Bondholders of the company recently approved a plan where the maturity of the existing issue of $391,800 of 6½ per cent first mortgage bonds was extended to 1942. Formerly the issue fell due in 1935.

Price Bros. Signs Contract for Large Timber Order

From Our Own Correspondent

MONTREAL.—A contract involving delivery of 15,000,000 ft. of lumber has been signed by Price Bros and Co. and Price and Pierce Co. of London, according to Quebec dispatches. The wood is to be delivered during the summer of 1933.

The contract is expected to find reflection in increased employment. The company will employ 500 men in the Rimouski and Metis districts during the winter while sawmills owned by the company will operate at capacity to complete the order. Work on the order will begin at once.

Eastern Car Secures Canadian National Order

From Our Own Correspondent

MONTREAL.—Authority has been given by the Dominion Government to the Canadian National Railways to place an order for 500 all-steel gondolas with the Eastern Car Co. at Trenton, N.S. This is a subsidiary of Dominion Steel and Coal Corp.

The cars will be of the 70-ton type, the largest class of rolling stock in this category so far built in Canada.

For some time the Trenton plant has been at a standstill, but it is understood work on the new order will get underway shortly.

Life Manager

HAROLD L. WEBSTER

Appointed manager of the third office of the North American Life Assurance Co. in Montreal. The new branch will be known as Uptown branch with headquarters in University Tower.

INVESTMENT FUND MAKES OFFERING OF SECURITIES

Calvin Bullock Sponsors Stock of Investment Trust

From Our Own Correspondent

MONTREAL—Canadian Investment Fund Ltd., is the title of a newly created investment trust which is offering its shares to the public at a price of about $3 a share through Calvin Bullock Ltd. Authorized capital of the company consists of 5,000,000 special shares of a par value of $1 each and 1,000 ordinary shares of a par value of $1 each. The two classes of stock are alike in every respect, except that the ordinary shares have the exclusive right of electing the directors. Shares may be issued from time to time upon payment to the company of an amount equivalent to their liquidating value based on current market value of the company's assets.

The board of directors of the new company includes Sir Robert Borden, Hon. L. A. Taschereau, Sir Charles Gordon, Hon. Charles A. Dunning, Hon. C. C. Ballantyne, Calvin Bullock, Norman J. Dawes and Arthur B. Purvis.

Operations of the company will be under the supervision of Calvin Bullock which firm will supply information and advice and, subject to control of the Board, supervise the company's investments for a fee which is based on the net profits of the company. Compensation to the board is fixed under the bylaws of the company.

Restrictions on Investments

There are various restrictions on investments of the company's funds, principal of which is that not more than 5 per cent of the company's assets may be invested in securities of any one issuer, except the governments of Canada or the United States, if, after stipulated notice, holders of one-third or more of the share object. A list of the securities will be made available to the shareholders.

It is also provided that no firm of which any officer or director of the company is a member may act as principal in the purchase or sale of securities for the company's portfolio. The company is prohibited from borrowing money, buying on margin or selling short.

H. L. Weber to Organize Can. Airways Land Lines

Harvey L. Weber, of The Pas, Man., has been appointed to an executive position with Canadian Airways Ltd. to work on co-ordination of freight and passenger service by land and air in the west outside railway served areas.

If freight is to be moved, a decision is to be made as to whether its movement would be more satisfactory and profitable by land or by air, and whichever is considered most suitable will be adopted. Mr. Weber is to organize a ground transportation service for Canadian Airways, and is to develop further the air express service already inaugurated by the company.

Previously Canadian Airways has been interested in transportation only by air, but will now compete for land transportation of freight throughout western Canada and the North-West Territories.

N. B. International Plans Buy Restigouche Wood

From Our Own Correspondent

MONTREAL.—New Brunswick International Paper Co. plans to buy pulpwood from farmers in the Restigouche district. No details are available as to the quantity or price to be paid, but it is reported that the cut will be heavy.

List Whittall Can

From Our Own Correspondent

MONTREAL.—Montreal Curb Market has listed 19,000 shares of 6½ per cent cumulative convertible preferred shares of the Whittall Can Co. This stock carries a dividend of 6½ per cent.

List Canadian Foreign

From Our Own Correspondent

MONTREAL.—Montreal Curb Market has listed $805,000, 7 per cent collateral trust gold debentures of Canadian Foreign Investment Corp.

I. P. AND P. CO. REDUCES DEBT BY $5,000,000

Earnings During First Nine Months Fail to Cover Charges

From Our Own Correspondent

MONTREAL—Since the beginning of the year International Paper and Power Co. has met all operating expenses, interest charges and sinking fund obligations and has been able to make a net reduction of over $5,000,000 in total consolidated funded debt and floating debt, according to a statement issued by A. R. Graustein, president of the company.

Consolidated gross sales during the third quarter of the current year were $30,249,610 compared with $37,606,195 in the same quarter last year; net revenue including other income and available for interest, depreciation, etc., was $8,249,605, against $11,326,140. After taking care of all charges there was a deduction from surplus of $3,001,567 compared with $264,297 added to surplus in the third quarter last year.

Deficit for Period

For the first nine months of this year consolidated gross sales were $97,376,379 against $109,102,735 in the corresponding period of last year. Net revenue, including other income and available for interest, depreciation, etc., was $29,164,555, compared with $32,905,725. Balance deducted from surplus was $5,257,371 against $1,871,294 added to surplus in the first nine months of 1931.

Comparative consolidated income accounts for the third quarter and nine months of 1932 and 1931 follow:

Quarter Ended September 30

	1932	1931
	$	$
Gross sales	30,249,610	37,608,195
Net revenue	8,249,605	11,326,140
Less: Int. & disc. on funded debt, other int., income taxes, sub. divs., & amts. applicable to min. stks. of subs.	9,006,150	8,833,371
Deprec. & deplet.	2,245,022	2,228,472
Balance	*3,001,567	264,297

Nine Months Ended September 30

	1932	1931
	$	$
Gross sales	97,376,379	109,102,735
Net revenue	29,164,555	32,005,725
Less: Int. & disc. on funded debt, other int., income taxes, sub. divs., & amts. applicable to min. stks. of subs.	27,609,012	24,735,806
Deprec. & deplet.	6,812,914	6,298,625
Bal. for I. P. & P. Co. divds.	*5,257,371	1,871,294
Less divds. on I. P. & P. Co. pref. stocks	....	1,632,565
Balance	*5,257,371	228,729

*Deficit.

Unpaid cumulative dividends on 7% and 6% pref. stocks of International Paper and Power Co. from April 1, 1931 to Sept. 30, 1932 amount to $9,832,009.50.

In the above statement income and expenses of Canadian subs. have been taken at parity of exchange without adjustment of differences between foreign and United States currencies. All profits and losses actually realized in transactions involving exchange have been included in the above results.

Dominion Store Sales Show Smaller Decline

Sales made by Dominion Stores Ltd in November totalled $1,692,505 compared with $1,804,880 in the corresponding period of 1931, a decline of 6.3 per cent This drop in sales is the smallest in comparison with 1931 sales that has been reported since March.

Sales for the first 11 months of 1932 are 10.09 per cent under sales in the same period of 1931. Sales to the end of November total $20,876,727 compared with $23,218,445 in 1931.

Sorel Steel Foundries Installs New Furnace

From Our Own Correspondent

MONTREAL. — Sorel Steel Foundries has completed installation of a new electric steel furnace in its new plant at Sorel and initial tests have been carried out. Remainder of equipment for the plant has not yet been installed but the unit is expected to be placed in operation in the spring.

The new furnace was constructed by Dominion Engineering Works and requires about 1,000 horsepower of electrical energy in its operations. Power is supplied by Shawinigan Water and Power Co.

Bond Tenders

6 p.m., Dec. 12, Municipality of Villeroy, Que.—$3,500, 6 per cent bonds, dated Dec. 1, 1932, redeemable serially from Dec. 1, 1938 to Dec. 1, 1947. J. A. Charland, sec.-treas.

Dec. 15, Renfrew—$25,000, 6 per cent 20-year debentures. W. A. Black, clerk-treas.

Noon, Dec. 8, Town of Port Colborne, Ont.—$91,555.89 installment debentures as follows: 5 per cent 20 installment $4,532; 5 per cent 30-installment $3,630; 6 per cent 10-installment $19,756; 6 per cent 15-installment $19,598; 6 per cent 20 installment $4,850; 6 per cent 30-installment $4,191, all for local improvements, and $35,000 6 per cent 30-installment for capital account. H. J. Johnston, treasurer.

BRITISH COLUMBIA

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates: Aug. 5, 1932—District of Oak Bay, Local Improvement Consolidating By-law No. 14, By-law No. 705, $5,848, 10 years, 5 per cent; Aug. 12, 1932—Kelowna, Sewers Loan, By-law No. 569, $12,000, 20 years, 5 per cent; Aug. 12, 1932—Kelowna, Bridge Loan, By-law No. 570, $3,000, 20 years, 5 per cent; Aug. 26, 1932—Nelson Local Improvement Consolidating By-law No. 848, $12,006, 10 years, 5 per cent; Oct. 27, 1932—Port Alberni, Local Improvement Debenture, By-law No. 321, $11,926, 15 years, 5 per cent; Oct. 27, 1932—District of Burnaby, Local Improvement Debenture Consolidation, By-law No. 1412, $23,895, 10 years, 5 per cent; Nov. 4, 1932—Grand Forks Electric Light and Power By-law, 1932, By-laws Nos. 266 and 267, $45,000, 20 years, 6½ per cent; Nov. 10, 1932—District of Oak Bay, Local Improvement Consolidating By-law No. 13, By-law No. 693, $11,582, 20 years, 5 per cent.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932	Net Income 1931	Common earnings 1932	Common earnings 1931	Curr. divid.	Balance car fwd. 1932	Balance car fwd. 1931	Mkt.	Mkt. times earn.	Yield
		$	$	$	$	$	$	$			%
Bruck Silk Mills	Oct. 31	28,258	8,152	0.28	0.08	...	411,970	387,927	5	18	...
Guelph Carpet & Worsted	Sept. 30	78,960	97,682	0.78	1.05	50c	59,183	40,632	...	...	...
Canada Malting *	July 31	276,400	300,714	1.39	1.51	1.50	317,270	264,757	14	10	10.7
Toronto Elevators	Sept. 30	230,691	205,490	5.02	4.02	...	376,972	257,781	16	3.2	...

* For 11 months

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Provincial—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Ontario	Nov.	N. Y. Banking Institutions	3½%	1932-33	$15,000,000	....	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	—Offered by—	Rate	Due	Amount	Offered	Yield
Canadian Investment Fund	Dec.	Calvin Bullock	Special Shares		....	....	....

RADIO PLANS NOW CHANGED SAYS OTTAWA

Commission Said to be Considering Acquisition of Old C. N. Stations

OWN PROGRAMMES

Commission May Originate Programmes and Offer Them to Private Stations

From Our Own Correspondent

OTTAWA. — The announcement of the National Radio Commission that the policy of carrying privately originated programmes across the country has been abandoned, is believed here to mean that the commission has returned to the original intention of originating its own programmes, and of attempting to persuade private stations to broadcast them without charge.

It is understood the commission is presently considering the acquisition of the old National railways broadcasting stations, which are situated at Vancouver, Ottawa and Moncton. With these stations as a nucleus of a national hook-up, the commission will proceed, at once, to negotiate with the telephone and telegraph companies for a set of leased wires, spanning Canada from Atlantic to Pacific.

Originate Own Programmes

The next step, it is believed, will be the origination of programmes which will be offered to all private stations as "sustaining" programmes, but for the broadcasting of which the commission will not pay out money.

Right here it is expected there will arise the difficult question of whether privately owned stations are entitled to be paid for broadcasting commission programmes, or whether the commission has a right to ask for this service free of charge. It is understood that the commission has good prospects of obtaining the consent of many privately owned stations, but others take the opposite view.

Has Considerable Revenue

A point not commonly appreciated, with regard to the commission, is that the better part of two years' revenues are now at its disposal. This makes available a substantial sum of money which may be used either for the building of studios and stations, or for their acquisition. It would not be surprising if one or two stations were erected or acquired in the prairie provinces, and if studio equipment were created at Toronto or Montreal, or both.

Meantime, the decision of the commission to rely entirely upon its own resources in originating programmes will delay, materially, the speed with which it can make an impression on the general public.

By carrying the outstanding private programmes over the wires it will lease, the commission could have made an immediate and favorable impression upon the radio public, could have done so within a few weeks. By waiting until stations have been acquired or built, and by limiting the extent of the broadcasts to the number of private stations which are willing to accept the commission's programmes without pay, the radio public, obviously, will have to wait a year or two before the real effect of the new policy becomes apparent.

CIGARETTE SALES CONTINUE DECLINE DURING OCTOBER

Reduced Prices Not Effective Until Month Following

From Our Own Correspondent

MONTREAL.—Declines in withdrawals of cigarettes for marketing during October as compared with last year indicate the exigencies of a situation which may be offset to some extent by the recent reduction in excise tax and cheaper cigarettes. Number of cigarettes marketed in October was 214,301,678 compared with 344,956,140 in the same month last year and represented the lowest figure to be reported in any month this year.

Though there is always a seasonal tendency toward lower withdrawals in October the drop was more marked than usual this year. October marketings compared with 313,709,922 in September, a drop of nearly 100,000,000 cigarettes.

Big Drop in 10 Months

Figures covering marketing in the first ten months of the current year show a more serious situation. Up to October 31 there were withdrawn from bond 3,019,390,261 cigarettes which compared with 3,807,747,170 in the same period of last year. The decline was 788,346,909 and on the old basis of excise tax at $6 a thousand cigarettes, a drop of nearly $5,000,000 in federal revenue is indicated on this count alone.

Government statistics to the end of October do not include any effects which reduced excise tax, now at $4 a thousand, and cheaper cigarettes will have on sales. The tobacco companies did not reduce their prices until the middle of November; figures covering withdrawals in that month will begin to indicate to what extent the consumer has been influenced by the reduction in prices.

Cut tobacco sales in October continued to gain totalling 1,551.042 pounds which compared with 1,452,865 pounds in the same month last year.

Christmas Gift Sales Stimulate Hardware

A more rapid development in the sale of Christmas gift merchandise is reported by retail hardwaremen this week. Early sales have not been very extensive this year, and dealers look for a comparatively good volume during December.

The rush to buy cold weather lines, evidenced during the stormy weather of November, was temporarily halted in some districts, as weather became milder. Depleted stocks have been filled up again by repeat orders from jobbers' warehouses, states Hardware and Metal, Toronto.

Northwestern Power Negotiations Continue

From Our Own Correspondent

MONTREAL.—Negotiations between the independent bondholders committee of Northwestern Power Co. and interests close to the company are proceeding despite the defeat of the independent committee at the bondholders meeting on November 14. At the meeting bondholders approved postponement of interest on the $10,000,000 of 6 per cent bonds until May, 1933.

Plans for reorganization, it is understood, have been prepared by the independent committee though details of its proposals have not yet been made public. How far negotiations have proceeded has not been disclosed; no scheme for reorganization was submitted at the bondholders' meeting by the official committee; delay until May, 1933, was secured so that the situation might be fully investigated.

The problem surrounding Northwestern Power is involved. Bond interest is in default; interest and principal are guaranteed by the parent organization, Winnipeg Electric Co. The latter is not in a position to live up to its guarantee, while it was pointed out at the bondholders meeting that receivership proceedings against Winipeg Electric would be detrimental to their interests.

Northwestern Power, for whose output of 42,000 installed horsepower there is no immediate market, is operating at a deficit of about $30,000 a year after operating expenses and taxes, but before interest and depreciation charges.

Can. Converters Sales Hold Up Exports Cease

From Our Own Correspondent

MONTREAL—Despite the fact that export business has faded away completely, sales of Canadian Converters Co. are being held at about the same level as last year. Activity in the west has shown a small improvement but previous markets served in the West Indies and Newfoundland have provided no outlets for the company's products for some time past.

Though details of earnings have not been disclosed it is understood that profits are on a parity with those of last year. Officials state that a further reduction in dividends has not been discussed; the company has maintained quarterly disbursements at the rate of 2 per cent during the current fiscal year.

In the period ended April 30, 1932, gross earnings totalled $29,660 which was equal to $1.05 a share on the $1,733,500 of common shares, after provision for depreciation. Balance sheet showed a working capital of $664,064 and current assets included $112,319 of Dominion Canada bonds.

SIMON AND SONS SALES REFLECTED IN CIGAR FIGURES

Total Withdrawn from Bond Declines Sharply in Ten Months

From Our Own Correspondent

MONTREAL. — Marketing of cigars in October showed a seasonal gain over the previous month but were substantially lower than in the same period last year. Total withdrawals in October were 14,424,229 cigars compared with 17,316,957 in October last year, according to the Dominion Bureau of Statistics.

The decline in cigar sales continues to find reflection in the situation surrounding H. Simon and Sons. The company is one of the largest manufacturers of medium-priced cigars in Canada and though no figures have been made public government statistics indicate that the company's sales have dropped considerably.

Cumulative Figures Show Drop

For the 10 months ended October 31 total number of cigars withdrawn from bond was 109,938,638 which compared with 124,666,289 in the same period of last year. Cigar sales are a ready barometer of the business situation and statistics covering their marketing are among the first to reflect restricted purchasing power.

Christmas season is a big factor in sales of H. Simon and Sons but it is understood that the company's output has not been on a scale comparable to last year. Preferred dividends were suspended in October last until outcome of the full year's operations are ascertained. In the last fiscal year earnings were equal to $7.92 a share on the $518,000 of 7 per cent preferred stock outstanding.

LINDSAY SALES SLOW TO REFLECT SEASONAL TREND

Christmas Business Tardy—Radios and Pianos Most Active

From Our Own Correspondent

MONTREAL.—Christmas business of C. W. Lindsay & Co., retailers of musical instruments, is running below last year's levels. Radios and pianos form the basis of the company's present turnover but close observers of the situation say that earnings are still at a relatively low level.

Preferred dividends are not being earned though the regular quarterly disbursement at the rate of 6½ per cent was paid on December 1. Officials state that these disbursements are being made from surplus and reserves accumulated in more prosperous days; the financial statement for the 12 months ended February 28, 1933, is expected to show a substantial deficit after charges.

Has No Bank Loans

Liquid position remains strong and the company has no loans from the banks. At the end of the last fiscal year current assets of $2,029,107 compared with current liabilities of $91,197; cash and call loans totalled $150,000 and Dominion of Canada bonds amounted to $120,964.

Collections are reported as being satisfactory in the light of existing conditions. The greater part of the company's business is done on the installment plan and accounts receivable at the end of February, 1932, amounted to $1,577,173. Operations last year resulted in an operating loss of $64,382. After addition of other income and provision for senior charges, deficit was $7,529. Preferred and common disbursements increased this to $86,552 and surplus at profit and loss was reduced to $348,270.

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MONTREAL

320 Bay Street
TORONTO

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TORONTO, DECEMBER 10, 1932

MR. TASCHEREAU REPLIES

A FEW weeks ago The Financial Post asked what Premier Taschereau of Quebec was going to do about the threatened invasion of his province by the Ontario Hydro-Electric Power System.

The Hydro is free of taxes in Ontario; it is subsidized to that extent and also to the extent of using State credit. The principle upon which it operates is repugnant to the good citizens of Quebec who are strong individualists and believe not only in equal opportunity but in equal contributions to the State. If the Hydro were permitted to sell power to the mines of northwestern Quebec, as it desired, it would do so in direct and unfair competition with private companies paying large taxes in Quebec.

Would Mr. Taschereau allow it? we asked. He has now answered the question. Quebec will not permit it.

A grave issue has been raised, new since Confederation. That issue is the right of one province to protect itself against the ill effects of what it considers unsound public policy in another province. Mr. Taschereau has shown considerable courage in his stand. We do not see how Ontario can do very much about it beyond accepting Mr. Taschereau's dictum with as much grace as possible.

HOW SHOULD RELIEF SUPPLIES BE HANDLED

RELIEF has become big business in Canada. Few corporations or government departments have an annual turnover as large as that of the different agencies that are dispensing relief to the unemployed and otherwise distressed. Relief activities in Canada are tied together by the common bond of federal assistance. In each province, the provincial authority is the coordinating agency for the activities of thousands of municipalities. Never before in the country's history has relief been administered on such a scale that it is possible of being systematized as the activities of a private corporation are systematized.

It has now become apparent that if the colossal waste of present relief systems is to be eliminated it will be necessary to bring about much greater uniformity in relief activities. To achieve this will probably mean great centralization of control in the hands of the Dominion and provincial governments which may aid in systematization but will also add to bureaucracy and red tape.

It must have come as somewhat of a shock to taxpayers generally to discover that relief has become such a colossal business organization in Canada that it has been found necessary to establish a central clothing warehouse in Toronto to wholesale garments to the municipalities of the province. Supplies of old and discarded clothing have dried up and municipalities have had to go into the open market to buy clothes for people whom they are caring for. When it became apparent that in this one province alone clothing to the amount of about $3,000,000 would be required during the coming year and each year that the depression continues in its present intensity, the need for such a central warehouse became apparent.

Municipalities generally were giving orders upon the local retail merchants for clothing. This was good business for the merchants but expensive for the municipalities in many cases as the retail mark up on clothing is rather high. To meet the situation, the Canadian Garment Manufacturers' Association, co-operating with the knit goods and woollen manufacturers and the boot and shoe manufacturers, established a central warehouse in Toronto where clothing is distributed in bulk lots at a handling mark up of five per cent.

Some municipalities, under pressure from retail merchants, are declining to use the central warehouse. If they do so because they are able to obtain better terms from local merchants their reasons are valid and in this connection it should be noted that in some towns and cities merchants have agreed to meet the central warehouse prices. But with the Dominion and provincial governments making such a large contribution to relief funds they should insist upon the most frugal expenditure of relief funds and direct municipalities to buy in bulk rather than at retail when money can be saved by so doing.

The retail merchants of Canada have suffered much in what is called the New Competition and it is unfortunate that to this new competition should be added that of relief organizations giving out food and clothing free of charge but it is a weakness that is inherent in relief. The only comfort vouchsafed to the merchants is that the people who are obtaining free groceries, food, coal, etc., are people who would otherwise go without and who therefore would not be customers of the local stores in any event. Or, at least, that is the theory of it.

ECONOMY FIRST STEP TO RAIL SOLUTION

IN HIS recent address to the Canadian Club of Toronto, Hon. Dr. R. J. Manion, Minister of Railways and Canals, warned his hearers not to expect too much by way of a real solution to the Canadian National Railways problem until there was a general improvement in business conditions. It is to be hoped that the general public will not take from this statement of the minister a meaning which he did not intend to convey. The burden of the railway problem can be measurably lightened by good business administration and economy. Already under the new board of directors and the new management, Canadian National Railways expenses have been materially cut and to the extent that they have been reduced, the need for new taxation to pay our railway deficit has been eliminated.

The Financial Post is of the opinion that rigorously business-like administration of the Canadian National Railways, combined with the most effective co-operation with the Canadian Pacific Railway, can produce, even in these times, surprisingly good results in the way of operating profits available to pay interest.

It is desirable that the keenest intelligence of the country should be applied to finding a broad solution for the railway problem, one that will reduce our railway bill by between $50,000,000 and $100,000,000 a year. But we would be very short-sighted in our planseeking if we were to overlook the possibilities of money-saving through economical administration.

In private business, one frequently hears the statement made that there cannot be any restoration of profits until general prosperity returns. But the shrewdest managers of private companies are endeavoring to balance their budgets even under present conditions.

The Canadian Pacific Railway has gone far beyond the Canadian National Railways in economy.

The only safe assumption for any business executive is that present conditions may continue indefinitely and that all problems should be solved on the basis of the present volume of business.

With the co-operation of Ottawa, an enormous amount of much needed expense-cutting has been done on the Canadian National Railways, which has laid the foundation for the solution of the Canadian National Railways problem. Because of this it would be unfortunate if it were noised abroad that Dr. Manion feels that ordinary economies are insufficient to do much about the matter.

25 YEARS OF SELLING SOUTHERN ALBERTA

THE feature about the Lethbridge Herald that has always appealed to us is the manner in which it reflects the energy of Southern Alberta. The Herald is the only daily newspaper in this area but instead of relying solely upon its monopoly to make profits for itself it has labored hard and with great enthusiasm to sell Southern Alberta to the world. Now the Herald has achieved its 25th anniversary and the hearty congratulations that are being showered upon it and upon its publisher, Senator W. A. Buchanan, reflect the high admiration of fellow journalists throughout Canada for such a splendid daily journal. Of Senator Buchanan it is necessary to say nothing beyond the fact that any newspaperman who ever worked for him swears by him.

SAME IN CANADA

RIGHT on the heels of Mr. Bennett's lament that the Dominion government has had to fill the void in wheat trading, left when private speculation dried up, come the articles that Arthur W. Cutten, Canadian-born giant among wheat speculators, is contributing to the Saturday Evening Post. Mr. Cutten makes it clear that the speculator, who performs such a necessary and useful purpose in commodity marketing, is out of the picture because bureaucracy has put him out by pettifogging regulations and giant gambles with the public's money. And because the speculator is out, because the government schemes have failed, wheat has sunk to hitherto unprecedented levels for which there is no precedent in all history.

If Mr. Cutten were to return to Canada to find out the situation here and if he were to write about it, his articles would be little different from those he is writing now. Government-supported marketing schemes in this country have upset the whole machinery of grain marketing, have driven out agencies that can usually be counted on to give the support that comes from absorbing hedging pressure, have made Canada a weak rather than a strong seller of wheat, have cost the taxpayers millions of dollars that went to foreign buyers of wheat rather than to Canadian farm producers.

And these huge and unprofitable gambles have been carried out with the avowed purpose of getting rid of that horrible, predatory individual—the speculator!

What a ghastly joke upon the Canadian farmer and the Canadian taxpayer!

DANGEROUS ADVICE FROM EUROPE

GRAIN publications in Europe are shedding crocodile tears over the plight of the Canadian wheat grower. Why are our farmers content to take such low prices for their product? they demand.

Highly placed statesmen at Ottawa are known to be receiving letters from agents of the big European importing houses urging establishment of a national marketing agency for our wheat, in order to give the western farmer a higher price.

The grain import trade of Europe is a highly integrated organism dominated by three large firms which are closely allied with international banking houses. These huge importers, whose connections reach out to every corner of the world, are not at all interested in the poor prairie farmer. But they do want to buy wheat as cheaply as possible. When they suggest a grain board for Canada they do so because they know it will give them a chance to knock the price of Canadian wheat still lower by creating a still greater concentration of grain under one agency. Large holders of grain are notoriously weak holders as the wheat pool and U. S. Farm Board experiments proved.

The wheat pool attempt to hold wheat off the market gave European importers a chance to clean up millions of dollars—by selling short and by shading their bids on Canadian grain to a cent or two below the market. No wonder then that they want us to give them another chance to make a killing.

It was the international acceptance house group that dictated the terms of the British debt settlement with the United States and that put Britain back on the gold standard at the pre-war parity, two moves that crucified British industrialists and taxpayers. They did it to save themselves from loss on huge totals of bills they had bought and to pave the way for a false prosperity that would permit short-selling of stocks and commodities on a world-wide scale.

Canadians should turn a deaf ear to their propaganda for a national wheat marketing board that would also be at their mercy.

LAND VALUES LOWER

TORONTO has had to cut downtown assessments by several millions. Deflation of land values cannot be avoided in the aftermath of the general price decline and cities will be forced to recognize the new and lower values when they make up their assessment rolls.

The easy days of constantly mounting assessments, as a smokescreen to hide extravagance in expenditures, have passed for a decade or two.

EDITORIAL NOTES

Many counties and townships in Ontario are entirely out of debt. It is hard to induce rural councillors to be extravagant.

* * *

Crowded rooms in Toronto's high schools have brought out suggestions for a "stagger" system. Now it is the taxpayer who is doing the staggering.

* * *

President Hoover received more votes on November 8 than any other losing candidate in history. This can be filed under the heading of small comforts.

* * *

The Financial Post was quoted more often in other newspapers in November than in any previous month in its history. "It's got to be good to be quoted."

* * *

The thief who stole five U. S. treasury bills of $100,000 each, probably would have found it as easy to have disposed of the Nelson column or the Mona Lisa.

* * *

Chief adviser to Rt. Hon. Stanley Baldwin in the war debts settlement of 1923 was Governor Montagu Norman of the Bank of England. Which may explain the governor's "humility" today.

* * *

An electoral reform in Germany contemplates increasing the voting age from twenty to twenty-five years, according heads of families and war veterans an extra vote. The increase in age should weaken the extremist vote, which is largely from minds that have hardly matured.

* * *

The International Livestock Exposition can not claim to crown the year's wheat king if it refuses to permit three time winners of the honor to compete. There is a chance here for the Royal Winter Fair in Toronto to take over the job of awarding the annual crown.

* * *

Prime Minister Ramsay MacDonald is likely to be forced out of public life soon by poor health. The British—and Canadian—system of making prime ministers a combination of party leader, house leader and departmental administrator is a sentence of death upon any conscientious head of government.

* * *

Larry O'Connell, president of the Trades and Labor Council of Toronto, spoke over the radio in the interest of highway safey. To the worker loss of time at his job was doubly serious today, Mr. O'Connell said, because it was such an easy matter for the employer to replace him. It meant not only serious loss of earning power, but perhaps definite and complete loss of employment.

POST-scripts

THE lowly egg-timer has come into its own.

Long a habitue of the kitchen shelf, the familiar time-glass has at last been enthroned as the servant of finance and the watchdog of bankers' profit and loss accounts.

For it has now been found in no less a place than the highly-polished desk of Col. Gordon Weir, president of the Investment Bankers' Association of Canada. No longer do the reddish sands of this timer combat the natural tendencies of the humble egg to become hard-boiled if cooked for more than three minutes, but its services have been commandeered for the express purpose of seeing that long distance telephone conversations do not exceed the three minute limit unless absolutely necessary.

Needless to say it was not presented to the Colonel by the Bell Telephone Company.

BEST story Toronto business men heard this week was told by Gerard Ruel, K.C., former vice-president of the Canadian National Railways in an address to the Canadian Club of that city.

Mr. Ruel was discussing various plans for the solution of the railway problem. A great many people thought the way out could be found in voluntary or enforced co-operation between the C. P. R. Mr. Ruel said that reminded him of the man with two watchdogs.

"The man realized that he did not need two dogs to guard his property and he knew that he could not afford two dogs. But he did not want to do away with either of the dogs; in fact he thought it was a good idea to have each dog there to watch the other while both were watching the house. He puzzled for a long time over his problem and while he puzzled about it the two dogs went on eating their heads off and driving him to the poorhouse.

"I'll tell you in strictest confidence," Mr. Ruel concluded, "how the problem was solved. The two dogs got together and decided to eat less!"

Other People's Views

Hardly Good Enough

Regina Leader-Post—Is the man who makes no attempts to pay his debts and to meet his obligations to be treated on the same basis as the man who labors, sweats and pinches to maintain his contract?

Socialist Salary Cuts

The London Daily Express—The Socialist Party recently cut the salaries of their headquarters staff. This is a fine example for the Socialist Party to set the rest of the country. They are now taking part in the campaign against the Government economy cut. But when it comes to employees of the Socialist Party it seems that economy cuts begin at home.

Quack Remedies

The Toronto Globe—With the facts as they are, it is not unnatural that all sorts of remedies and quick cures should be offered. Many of the arguments in favor of the current stimulants sound like the rigamarole of old-time marketplace "barkers," who would sell you a bottle of patent medicine guaranteed to cure everything from corns to consumption in humans, and also guaranteed to relieve horses with the heaves.

The printing of paper money is one current cure-all. Yet, if for no other reason, memory of what happened in Germany and Russsia would suggest extreme caution in this regard.

Leaning on The State

M. G. O'L. in the Ottawa Journal.—The truth is that while we love platitudes about individualism, we have all been leaning increasingly on the arm of the state. It has become a habit. Beginning in the early 1900's, when we set out to do things that our Constitution never contemplated, it was established firmly by the war. For a state which had organized itself into all but frank autocracy to enforce its war will, it was a simple thing to begin practising the same principle in times of peace. So we had the Government taking over railways, looking after our health, controlling our drinking habits, establishing an income tax, going in for land settlement schemes, financing immigration, setting up bureaus and commissions—going frankly into business. If it wasn't plain Socialism, it certainly wasn't individualism.

Whatever it was, we liked it. We kept on, of course, denouncing paternalism. It wasn't Canadian. It was Russian. But it was Canadian, apparently to see successive Governments become more and more providers; to see them go increasingly into business; to see them pile on taxation so that they might dispense something for everybody, ruling and regulating, coddling or curbing every aspect of our lives from the diaper to the coffin. Occasionally, as is our wont, we cursed the politicians. But the politicians were helpless. They, like the rest of us, exhorted against socialism, the while being compelled by the public to adopt socialism in huge doses.

Examples could be multiplied. Years ago, when our fathers came to this land, they came at their own risk, pioneered, struggled, endured, succeeded or failed. Most of them succeeded. But whatever happened to them they were at least not coddled by the state. But that was changed. We went in for immigration paternalism both at home and abroad; for family settlement schemes, land settlement schemes, for machinery to get the immigrant in Europe, to bring him over here, to start him when he got here. We spent tens of millions of dollars in this way in ten years.

Ocean Rates Handicap Millers

Northwestern Miller.—The iniquitous spread between rates ocean steamship companies demand for carrying flour from Canada to British and other transatlantic ports and that which they are accepting for wheat is one of the heaviest handicaps the milling trade of this country has to bear. This is an old and well-worn complaint. It is continually cropping up and the steamship people ignore its disastrous effect on the flour trade. At times the difference between wheat and flour becomes a matter of fully 2s per sack at British ports, which is prohibitive. Things were bad enough in pre-war days when sometimes the overcharge reached as much as 7c bbl.; today that spread would look small. On many occasions in the past millers have produced evidence to show that 5c bbl. would more than cover the actual difference in carrying charges while shipping companies admit — or have admitted — that 7c should be ample. Nowadays they do not even attempt to defend a much greater difference but simply fall back on the old excuse that they "need the money."

This situation cannot, of course, continue. Already the larger Canadian mills are turning to the use of their own or tramp boats which are able to make rates that enable the miller to compete in at least the larger markets. This is not a satisfactory substitute for the line services but it at least provides something in the way of competition and in time may assume sufficient importance to bring the rates of regular ships more nearly into alignment.

Hydro in the North

The Toronto Star.—The movement to persuade the government of Ontario to buy the Northern Canada Power Company's system and merge it with the Abitibi canyon system is not likely to have much success although it may meet with favor from the large mining companies that are tied up by perpetual contracts to take power from the company.

In normal times the absorption of the Northern Canada Power Company into the Hydro's northern system might have attractive features. It is even possible that under present unfavorable conditions the merging of the company's system, which is showing handsome profits, with the Abitibi system—giving the Hydro a northern monopoly—would put the Hydro system on a better footing. But whatever the economic possibilities of the merger the government must realize that it is politically inexpedient to plunge any deeper into the power business. The government has just taken over a 20-million-dollars proposition at the canyon and obligated the Hydro to the extent of 104 million dollars on the St. Lawrence and the Hydro has unsalable power on its hands that is costing millions of dollars per year. The public attitude is that "enough is enough"—and sometimes too much.

Cost of Government

Winnipeg Tribune—Floyd S. Chalmers, editor of The Financial Post, addressing the Canadian Club of Winnipeg, analyzed causes of the rapid rise in costs of government in a way which deserves the thoughtful attention of every citizen.

Three causes were discussed by Mr. Chalmers: Promoter's schemes, the trend toward state socialism, and, finally, bureaucracy or the tendency of government departments to outlive or outgrow their usefulness.

From the Grand Trunk to Beauharnois, the history of Canadian governments is studied with schemes originated by promoters subsidized by the government on one pretext or another, and finally unloaded on the public. The promoters' racket has been worked down to a science. While a few of the government subventions have worked out to the advantage of the Dominion, they are the exceptions and the device has been worked to death. This is something which might well be eliminated from the function of government, but it will require a sternly-set public opinion to compel governments to resist the blandishments of promoters, who are always ready to sing a siren song in times of prosperity.

Canada, partly as a result of wartime illusions, has gone a long way along the road toward state socialism without deliberately adopting the principle. It may be expedient to go farther, but it is evident that some account must be taken of natural governing factors. What we think we can afford to do in good times is not the same as what we can actually do in hard times. Schemes which are not on a sound basis, which do not in the long run and in the national sense pay for themselves, are bound to be wrecked sooner or later. Therefore, every new plan which is considered as a possible addition to the already large structure of welfare and social enterprises should be carefully examined before being adopted, examined both as to its own merits and as to the capacity of the nation to carry it.

As for the so-called bureaucracy, periodic and thorough overhauling of all government services should be regarded as a natural and essential task. The politicians usually seem to think they have done their duty when they make a horizontal slash in civil service salaries. That misses the real point and is false economy. Many, perhaps most, civil servants give far more than value received for what they are paid. But in many cases they are performing functions which should be outside the governmental organization altogether. The axe should be laid on new frills and old anachronisms. A thorough overhauling from this point of view is badly needed at the present time.

It is not necessary to agree with everything Mr. Chalmers said to feel that his address was stimulating and valuable. If a great many others would approach the problem with the breadth and intelligence he showed, there would be a marked improvement in the management of public affairs in Canada.

Dangerous Public Spending

Sarnia Observer:—It is vital that governments of all classes, from municipal up, slash their outlays and attempt to live within their incomes. Not alone is this necessary, but it is also imperative that the staggering public debt be reduced so that taxpayers may be relieved of some of the burden they are now carrying.

Throughout Canada there are people who cannot find the money wherewith to pay their taxes. They are consequently in a condition where it is only a matter of time until they lose their property unless some exceptional improvement in their financial condition occurs suddenly and unexpectedly.

"Stop Me If You Have Heard This One"

"And," quoth the bank manager, "unless you reduce the face of this loan by noon tomorrow, we're going to sell your collateral to satisfy our lien."

"Go ahead," said the customer, "and I'll pay you a commission."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

OUTLOOK IN FRANCE

FRANCE was top-dog financially among the nations of the world, one year ago. But a certain amount of disintegration has been proceeding in France to which reference has from time to time been made in these columns. The United States discovered that even a Croesus with half the world's gold was not immune from depression and France is learning much the same thing. The strong position to which France has brought her monetary position in relation to other nations has not meant prosperity for the average Frenchman and in fact has contributed to the economic difficulties of the people of France.

* * *

ONE trouble in France is that the governments have pursued the usual practice of post-war governments of spending more money than the productive income of the people warranted. Government finances have been badly administered and each successive government has attempted to make itself and the taxpaying Frenchmen believe that if there were any apparent budget deficits they would be made good from the German reparations. But German reparations have not been collected and even France has officially admitted that the amounts to be collected will be very small in the future and nothing at all in the present.

Taxation is high in France and new taxes cannot be imposed with any assurance of productivity because already the percentage of receipts to levies is dangerously low. Thus there is present for France, as for other nations, the necessity for a rigorous policy of national expense cutting, which it is presumed will prove no more popular to the beneficiaries of governmental largesse in that country than anywhere else.

OF COURSE there will be some attempt to cover up budget deficits by borrowing money but here an interesting situation comes to light. The French government cannot borrow today as cheaply as the British government. While the latter country has, by its conversion scheme, reduced the rate on government loans to three per cent. France still has to pay its own people 4½ per cent on their bonds. Thus we have the anomaly of the British pound selling at a discount of a third from the French franc while the British government borrows money at a third less. It is a fair assumption from this that British credit today is better than French credit though British currency does not reflect this in world markets.

The high value of the franc is proving a source of considerable worry to the French government. It is seriously handicapping French export trade and exporters are beginning to make their complaints heard.

France can materially improve her industrial and business position by giving up some of her ambitions to use her gold for political conquest and since political conquest has proven an illusion a policy of climbing down is distinctly in order.

* * *

IT IS deduced by London observers of these circumstances that the coming year will see France adopt a more liberal gold policy; that she will export gold to some extent, that she will give her nationals greater opportunity to invest abroad and that she may even relax her tariff restrictions somewhat. If France adopts such a policy it will obviously strengthen the relative position of London but what is more important it will be a step in the restoration of world trade and financial equilibrium.

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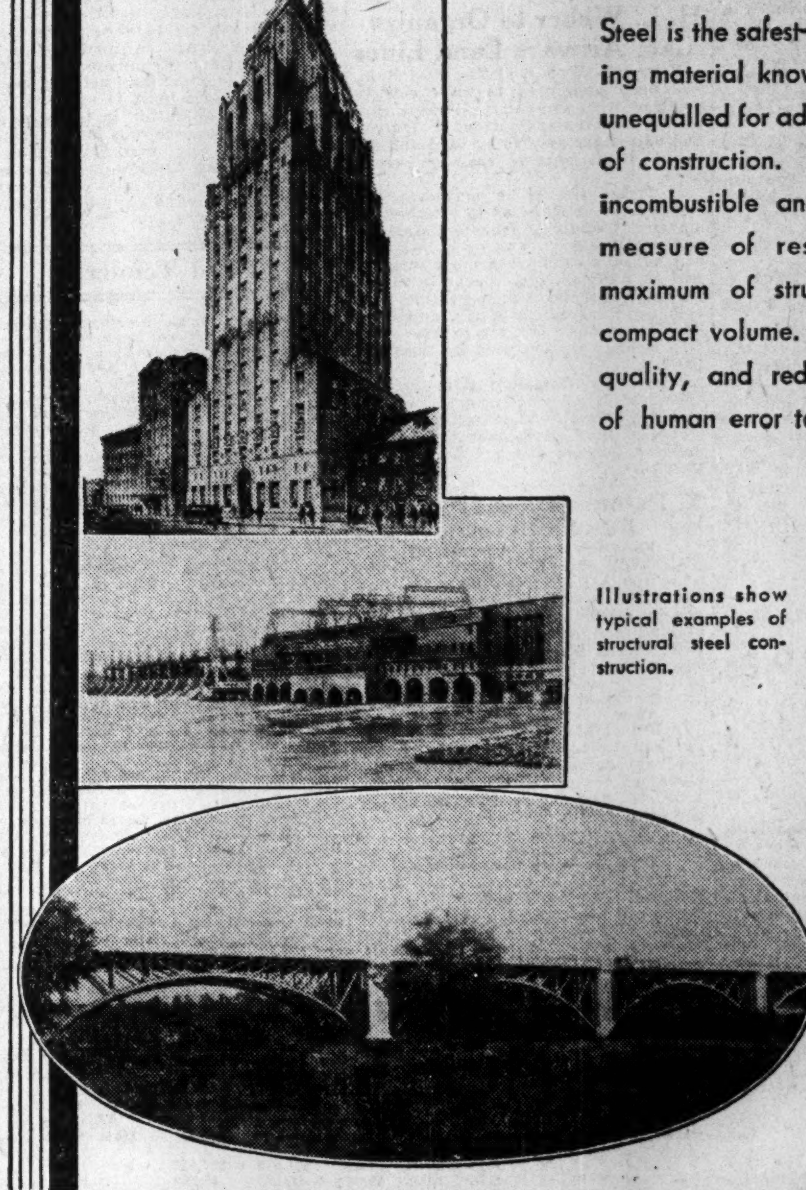

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The Week in Business

Ottawa Says "No Inflation"

Commodity Slump Already Costs U. S. More Than Debt Payment

CONFIRMATION has been obtained from Ottawa officialdom by The Financial Post of the firm resolve of the Canadian Government to adhere to a "sound money" policy, as outlined last week in London by Hon. E. N. Rhodes, Minister of Finance. This is news of considerable importance to business and financial interests in Canada at the present time, for there is little question that there is a rising tide of opinion in favor of an inflationary policy of some description which would aid in bringing the value of the Canadian dollar down to the level of the pound sterling in terms of United States dollars. This feeling has been particularly strong in the Maritimes and the West, where the pinch of distorted exchange values in export trade is felt particularly.

Ever since the famous $35,000,000 "easy money" policy of the Federal Government became known at the beginning of November there has been uneasiness and hope in the minds of foreign investors and inflationary protagonists respectively, which was not completely allayed even after Mr. Bennett's "sound money" speech in the House of Commons in which he explained the $35,000,000 transaction. Inflation, it is believed, would destroy this confidence, would bring national bankruptcy and financial chaos. It is felt therefore that the only reasonable solution in the national interest is to maintain in every possible way, the confidence in the Canadian dollar. Once that confidence is destroyed it is felt that Canada's trading and financial position as a debtor country would become untenable and that one of, if not our greatest national asset, would be lost in the pursuit of a monetary will-o-the-wisp, which has brought little else but trouble and disillusionment to those countries which have followed it of their own free will.

* * *

OF THE week's records there is little of encouragement beyond some seasonal quickening of retail trade as a result of Christmas shopping. Rubber factories report a good increase in business as a result of early winter weather which caught retailers with very low stocks, but subsequent lapse to milder temperatures has slowed up the movement of winter merchandise. Carloadings continue to reveal a normal seasonal decline and are currently 19 per cent below corresponding figures for 1932, while the Dominion Bureau of Statistics index of wholesale prices for November announced this week shows a further slight recession to 64.8, which is new low ground since the tumble first began in August, 1929. An equally unsatisfactory picture is indicated by the various weekly indices of commodity prices which have now lost virtually all the ground gained in the spectacular rise of a few months ago.

Much of this drastic slump in commodity prices can doubtless be definitely traced to the door of war debt unsettlement. Thus, it is an amazing fact that in the three weeks following November 7, when the war debt controversy first came into the open after the general election, the market value of the four leading farm commodities of the United States declined in value by $87,000,000, more than the entire war debt payment due December 15. These figures are based on current crops only and disregard carryovers.

The figures are computed by the Wall Street Journal and show that the current year's crops of corn, wheat, cotton and oats showed aggregate depreciation of $211,192,550 in market value from November 7 to the end of the month. Debt payments due December 15 total $124,000,000.

Largest decline was shown by corn which is also America's largest field crop. Depreciation between November 7 and 29 was $87,630,000. The 1932 cotton crop lost $83,227,550, while wheat depreciated $21,630,000 and oats $18,975,000.

Retail Sales in P. E. I. $13,500,000 in 1930

There were 794 retail stores in Prince Edward Island in 1930 with sales of $13,556,700 and 311 service establishments with receipts of $577,500. The general merchandise group led all others with sales of $6,277,300 for 165 reporting stores. There were 152 general stores. Sixteen automobile dealers did a business of $1,349,800.

In the service field the amusements group did the largest amount of business with receipts of $193.800 for 13 establishments. There were 5 movie houses, 4 billiard halls and 4 amusement places. Census population 88,038.

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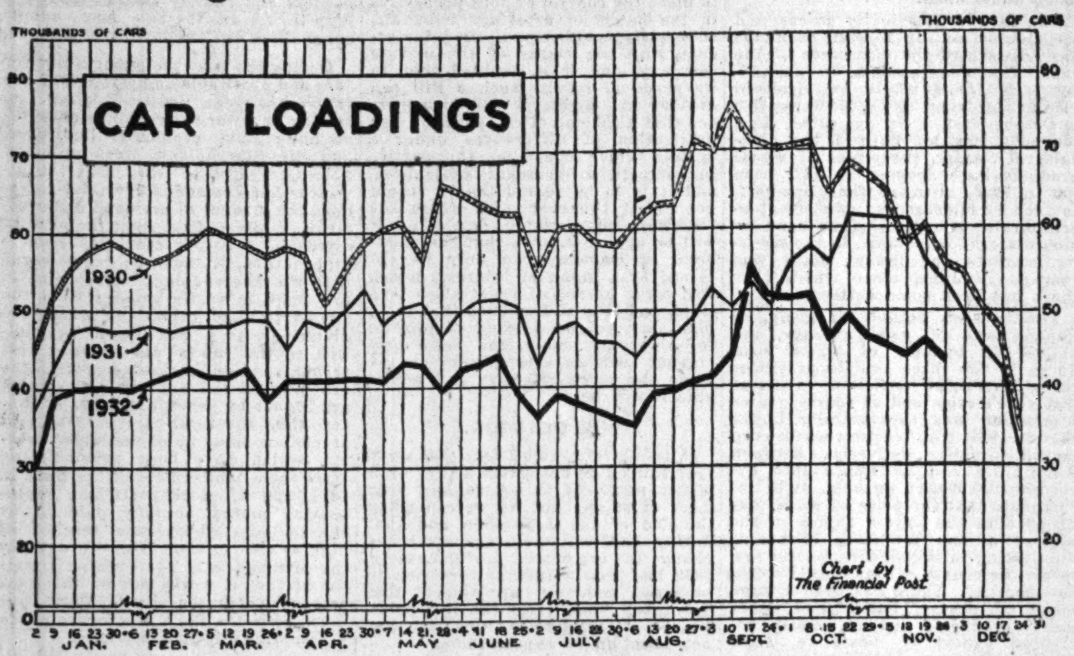
Business Conditions in Canada

Carloadings Show 1932 Business Down 15 Per Cent



Measured by the movement of revenue freight on Canadian railways during the first 11 months of 1932, the physical volume of business in Canada is down 15 per cent for the year to date.

Grain loadings actually exceed 1931 figures by one per cent but other groups show declines ranging from one to 41 per cent. The figures are analyzed in an article on this page.

1932 Business Volume Down 15% by R. R. Data

Carloadings Figures Show Important Changes in Commodity Movement in First 11 Months of Year

Physical volume of business in Canada is 15 per cent lower this year than last, according to an analysis by The Financial Post of cars of revenue freight loaded on Canadian railways in the first 11 months of the year. Western Canada has fared considerably better than the east, for cumulative figures for the western division are down but 4 per cent to date while in the east there is a drop of over 20 per cent. Currently loadings are 19 per cent below 1931.

Analysis of loadings by types of business reveals interesting changes in the trend of industrial activity during the year. Thus grain loadings alone show an improvement over 1931 while all other groups show declines ranging from 1 to 41 per cent. The heaviest drop is in loadings of lumber, pulp and forest products this group lagging 28.6 per cent behind the 1931 record.

Comparative Figures

Comparative figures for total Canadian loadings in the first 11 months of the year, and analyzed by commodity groups, follow:

Car Loadings of Revenue Freight in Canada
(First 11 Months)

	1932	1931	% change
Grain and grain products ..	354.481	350,393	+ 1.2
Livestock ...	64,223	72,314	—11.2
Coal	229,510	237,854	— 3.6
Coke	22,477	22,776	— 1.3
Lumber	55,581	87,494	—36.3
Pulpwood ...	40,661	69,423	—41.4
Pulp & paper	65,544	86,109	—23.9
Other for. prod.	69,233	80,631	—14.1
Ore	37,465	50.628	—26.0
Merchandise (L.c.l.) ...	619,889	703,090	—11.8
Miscel.	440,416	592,994	—25 7
Total	1,999,480	2,353,706	15.0

The major grouping it will be seen from the above figures is that of merchandise freight (in less-than-carload lots) and miscellaneous freight, both of which are usually lumped together as the best rule of thumb index of general business conditions in Canada, available on a weekly basis. Miscellaneous loadings, it will be seen, have slumped to a greater degree than l.c.l. freight which is an accentuation of a trend of previous depression years. The two indices combined show a drop of 18 per cent from 1931.

Grain Holding Well

Next in importance comes grain. If current weekly loadings are maintained for the remaining weeks of the year, total loadings of grain this year will reach the 400,000 car mark. This compares with 383,000 cars loaded in 1931; 405,000 in 1930: 443,000 in 1929 and 675,000 in 1928. In both 1927 and 1926—years of normal marketing of good crops—loadings ranged between 515,000 and 530,000 cars.

This year for the first time, coal movement may probably nose out the traffic in lumber products in order of importance. Three years ago movement of forest products topped generously the 400,000 mark. This year to date only 231,000 cars of forest products have been moved—a decline of nearly 29 per cent even from the low mark of the previous year.

Coal movement on the other hand has been maintained within 4 per cent of last year's figure and is but 2,000 cars behind the figure for all lumber products. The greatest slump in any group has been in the movement of lumber (as grouped separately under lumber products) which is now down to little more than a quarter of what it was four years ago. The largest percentage decline for any group this year to date has been in pulpwood, another classification of "lumber products."

Over a period of years the best performer in the carloadings field has been coke. Four years ago the movement of coke on Canadian railways was but 15,000 cars annually. This figure showed steady improvement until 1931 and even in the last two years only slight recessions have been recorded. The current figure of 22.500 cars for the first 11 months of 1932, is but 1 per cent below the corresponding figure of 1931.

BUILDING AWARDS UP FOR NOVEMBER

Large Engineering Contract Accounts for More Than the 14.5% Increase

Construction contracts awarded in Canada during November were 14.5 per cent above awards for October this year, totalling $10,170,400. One contract of $2,559,300 for a new bridge across the St. Lawrence River accounted for more than the total increase, according to MacLean Building Reports Ltd.

During November, the Province of Quebec accounted for 48.6 per cent of the country's awards, valued at $4,938,000. Ontario was next with contracts of $2,860,500, or 28.1 per cent of the total. British Columbia obtained 11.8 per cent of the total with $1,195,700, the Prairie provinces 8.1 per cent with $827,800, and the Maritime provinces 3.4 per cent or $348,300.

Over half of the total awards were for engineering works with 59.8 per cent of the contracts. Residential contracts amounted to $2,074,600 or 20.4 per cent, and business building accounted for 12.8 per cent, or a value of $1,303,200. Industrial building contracts, at $709,500, comprised seven per cent of the total.

The Province of Quebec has obtained the greatest percentage of the contracts awarded to the end of November with $51,276,900, or 39.8 per cent of the total. Ontario has had 37.2 per cent, valued at $47,815,800. The Prairie provinces showed $13,108,500, or 10.2 per cent, and the Maritime provinces 6.8 per cent or $8,797,100. British Columbia has had 6 per cent, valued at $8,683,900.

For the year to date, 42.5 per cent of all awards have related to works in the engineering group. The value of such awards is $54,626,300. Thirty per cent, or $38,644,900, is recorded for business building, and residential awards amount to $27,700,200, being 21.5 per cent. Industrial building awards amounted to 6 per cent of the total valued at $7,710,900.

Among large contracts awarded during November were one for $1,000.000 for the long awaited repairs to the second narrows bridge at Vancouver, and one for the $500,000 absorption plant of the Royalite Oil Co. at Calgary.

Wheat Stocks on Nov. 25 amounted to 236,580,049 bus. compared with 237,712,431 bus. a week previous and 185,810,627 bus. at the same time last year.

Wheat Exports for the week ended Nov. 25 amounted to 7,165,544 bus. compared with 6,968,759 bus. in the previous week and 3,737,871 bus. in the corresponding 1931 week.

Commodity Prices

Commodity Prices at Wholesale ‡
(N. Y. unless otherwise stated)

	Week ending Dec. 3	Previous week	Last year
Cattle (cwt.) (Toronto)	$5.00	$4.75	$6.25
Copper, lb.	.0525	.03675	.0650
Cotton, lb.	.0575	.0590	.0615
Rubber. lb.	.0325	.0333	.0442
Silk, lb.	1.52½	1.52½	2.22½
Sugar, raw, lb. .	.0285	.03	.0320
Wheat (Man.) bu.	.44¾	.46⅜	.63⅛
Hides, lb.	.06½	.06½	.06¼
Coffee, lb.	.08¼	.08½	.06½

Weekly Indices *

	Week ending Dec. 3	Previous week	Last year
N.Y. Annalist ...	87.9	88.1	99.7
Fisher's	60.2	60.5	†72 6
N. Y. Journal of Comm.	57.4	57.5	63.5
Crumps (Brit.) ...	62.6	63.1	†64.9

*N.Y. Annalist base, 1913, others 1926.
†Average 1931.

Monthly Indices

	Latest	Prev. Month	Last Year
Canada (D.B.S.) w'sale (Oct.)	65.0	66.9	69 9
Retail (Oct.) ...	80.4	81.0	89.6
U S. Labor (Oct.)	64.4	65.3	70.3
Gt. Brit. (Oct.)	68.2	68.9	70.5

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Car Loadings during the week ended Nov. 26 amounted to 43,266 cars. a decrease from the previous week of 2,684 cars, and after seasonal adjustment the index number dropped from 59.27 to 59.23, a new low for the last two years. Grain was down by 513 cars, merchandise by 236 cars and miscellaneous freight by 262 cars.

LUMBER MEN STILL HOPEFUL OF U. K. MARKET

B. C. Lumber Representatives Not Yet Despairing of Results

From Our Own Correspondent

VANCOUVER.—Although representatives of British Columbia's lumber industry who went to the British Isles to study the probable effect of Britain's assurance of protection against Soviet competition are now on their way home, disappointed at the results of their mission, hopes are still held that the British market may absorb more Canadian lumber than in the past.

British importers are reported by the B. C. delegation to be closing a deal with Russia for nearly a billion feet of lumber next year. This, of course, is in direct conflict with the assurances given by the British representatives at the Empire Economic Conference.

B. C. Representations

At that conference B. C. interests put forward the plea that merely a preference in the British market would be insufficient to meet Soviet competition, because the Soviet, subsidized by the government and with lower standards of living, could afford to undersell almost any price that might be made. It was argued that the only way of checking Soviet competition would be establishment of a quota. British representatives disliked the idea of a quota, reaffirmed support of the preferential tariff to Canadian lumber and signed an agreement guaranteeing Empire countries security against the products of non-Empire countries whose costs of production were lower and whose manufacturers were state aided.

There now appears to be considerable conflict in the interpretation of one of the clauses of this agreement, and the B. C. men who have been visiting London, investigating the effect of the agreements, do not hesitate to admit that the negotiations for a bigger share of British lumber business for Canada have temporarily failed.

B. C. Share Not Large

The B. C. industry does not at the present time seek an unreasonable proportion of the British lumber business. The average shipments to British Isles from B. C. are now about 40,000,000 to 50,000,000 feet a year. In view of the enormous purchases of Britain in foreign markets — last year Britain bought 1,000,000,000 feet of lumber in Russia alone—it was felt that British buyers would feel disposed to place orders for, say, 200,000.000 feet next year. This would not be an important item when figured with Britain's total lumber imports, but it would represent a tremendous increase in B. C.'s trade with Britain.

Advices from London indicate that, now that the negotiations between the B. C. industry and the British Timber Distributors, Ltd., have fallen down, the next step will be taken by the British Board of Trade. As soon as the period of notice terminating the Anglo-Russian trading agreement expires the British Government will have full power to restrict or prohibit importations from northern Europe.

Meanwhile efforts are being made to have Premier Bennett take up the issue with the Board of Trade while he is in London.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Nov. 26)	43,266	53,346	1,999,480	2,353,706
C.P.R. gross earn. (Nov 30)	$ 3,369,000	$ 3,748,000	$ 114,112,000	$ 135,490.000
C.N.R. gross earn. (Nov. 30)	$ 3,554,484	$ 4,000,977	$ 133,156,206	$ 163,862,684
	Monthly			
C.P.R. net earn (Oct.)	$ 3,923,573	$ 4,476,662	$ 14,454,943	$ 17,268,829
C.N.R. net earn. (Oct.)	$ 2,925,472	$ 1,841,748	$* 9,125,589	$ 5,407,518
Iron and Steel—				
Pig iron, tons (Oct.)	6,731	11,562	102,950	391,884
Steel, tons (Oct.)	17,102	40,926	274,945	623,781
Automobiles prod., No (Oct.)	2,923	1,440	56,473	78,935
" exports. No. (Oct.)	2,462	712	10,404	18,756
Construction—				
Building permits (Oct.) ...	$ 3,056,137	$ 8,442,627	$ 35,896,886	$ 97,045,622
Contracts (November)	$ 10,170,400	$ 24,642,200	$ 128,682,300	$ 304,224,700
Newsprint—				
Production, tons (Oct.)	157,506	184,252	1,609,090	1,876,982
Exports, tons (Oct.)	148,934	171,030	1,486,197	1,675,252
Sugar—				
Imports, raw, lbs. (Oct.) ..	48,444,800	69,737,600	626,369,300	681,364,500
Melt. & ship., lbs.*	76,543,030	85,832,952	737,944,993	772,797,375
Manufactured, lbs.*	115,873,720	121,790,544	772,487,907	796,099,583
Flour—				
Production, bbls. (Oct.) ...	1,721,598	1,693,925	11,512,521	12,514,602
Wheat flour exp. bbls. (Oct.)	528,794	558,459	4,062,894	4,769,427
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Oct.) ...	55.25	81.26	590.21	812.90
Boots & shoes, pr. (Sept.) ..	1,723,202	1.672,437	13,940,630	13,735.242
Petroleum, imp. crude, gal. (October)	83,448,516	97,340,989	805,327,119	862,413,901
Cotton, imp., raw, lbs. (October)	7,029,000	7,589,000	68,161,000	67,923,000
Rubber, raw, imp., lbs. (Oct.)	2,704.000	3,509,000	41,177,961	48,328,185
Coal, imports, tons (Oct) .	1,331,774	1,446,690	9,271,590	11,030,239
Gasoline sales, gals. (Aug.)	61,518,000	63,434,822	326,269,000	360,909,822
Trade—				
Imports (October)	$ 37,094,525	$ 45,932,572	$ 385,883,998	$ 540,897,579
Exports (October)	$ 56,626,095	$ 55,537,917	$ 405,356,022	$ 494,593,577
Wheat exports, bus. (Oct.) ...	40,192,415	18,925.808	173,182,780	145,117,574
Labor—				
Employment Index (Nov.)	84.7	103.0	......	......
Electric Power—Output—				
M. Kilowatt hours (Oct.) ...	1,390,128	1.428,342	13,003,559	13,536,239
Finance—				
Failures, No. (Sept.)	192	165	1,792	1,581
Failures, Liabilities (Sept.)	$ 2,979,544	$ 5,166,575	$ 30,012,931	$ 32,881,623
Bank debits† (Oct.)	$ 2,367,179	$ 2,586,858	$ 21,293,369	$ 26,106,513
Bond sales (Oct.)	$ 102,738,105	$ 1,048,629	$ 374,324,908	$ 387,903,879
Insurance sales (Oct.)	$ 29,858 000	$ 36,006,000	$ 336,487,000	$ 403,289,000
Automobile Financing:				
Used cars (Oct.)	$ 862,847	$ 1,337,692	$ 11,724,994	$ 19,065,414
New cars (Oct.)	$ 718,088	$ 1,324,452	$ 11,667,642	$ 18,903,293

*Four weeks' period, Oct. 15 to Nov 5.
†(000's omitted).

THE STORY OF A GREAT CANADIAN INDUSTRY—INTERNATIONAL IN SCOPE

Monel Metal . . .

. . . a product of Canadian Mines

When Colonel Monell in 1905 decided to smelt the Sudbury ore just as it came from the mine, without first separating the copper and nickel, he had no idea of the great discovery that was to be made.

The result proved that Nature does nothing in a haphazard manner, for there emerged a new and beautiful white alloy—two-thirds nickel and one-third copper—strong as steel, corrosion and acid-resisting, rustless. This alloy is now used and admired throughout the world as Monel Metal.

The beauty and unusual physical properties of this new alloy opened up an enlarged possibility for the sale of ore from the Sudbury mines. The company at once took advantage of this opportunity.

A special sales force was organized to carry the story of the new metal to engineers, builders and heads of industrial plants. Advertising was freely used to broadcast the beauty and utility of the new metal. Rolling mills were located in industrial countries of great potential purchasing power in order that Monel Metal might be placed on a favourable competitive basis with other white metal alloys.

In co-operation with architects and industrial engineers, new applications of Monel Metal are being constantly developed by our Research Department.

The usefulness and sales possibilities of Monel Metal are practically unlimited. It has been and will be a most important factor in maintaining and increasing the production from the Sudbury mines and in building a favourable trade balance for Canada in other countries.

A product of Canadian mines — Monel is a metal of which Canadians may well be proud.

INCO NICKEL INCO MONEL METAL

Greater use of Nickel and Monel Metal means a greater measure of prosperity for Canada.

Large ore reserves are of little value unless a correspondingly large demand exists — world markets are essential.

Send for "The Story of Nickel" a booklet dealing with the history and development of Nickel. Write to the Company at 25 King Street West, Toronto.

THE INTERNATIONAL NICKEL COMPANY OF CANADA
LIMITED

WAR DEBT PLANS DIRECTLY AFFECT CANADIAN TRADE

J. A. McLeod Says That World Exports Are Still Declining

While Canada has no direct interest in the present controversy regarding war debts (for she did not, like the European allies, need to borrow from 1917 onward in the United States in order to finance war expenditures), her indirect interest is enormous, according to a statement by J. A. McLeod, general manager of the Bank of Nova Scotia. It is based upon the fact that she finds herself among the half-dozen great trading nations of the world.

Mr. McLeod states that a statistical study by the bank, of the decline in exports of 20 leading exporting nations, indicates that 60 per cent of the world's trade has been destroyed since 1929 and that this destruction is still going on. Based on gold prices to maintain uniformity in the figures, these exports dropped from 24.5 billion dollars in the twelve months ended Sept. 30, 1929, to 9.9 billion dollars in the twelve months ended Sept. 30, 1932.

All Continents Suffer

Each of the five continents of the world have lost trade in the following proportions since September, 1929: Europe, 55 per cent; Australasia, 60 per cent; South America, 61.5 per cent; Asia, 64 per cent and North America 67 per cent. Mr. McLeod points out that it is not Europe but North America which is suffering most severely from the factors at present disturbing trade. He also indicates that we are trying to finance enormous international obligations on only two-fifths of our 1929 trade.

Pointing to the causes and possible solution of this trade problem, Mr. McLeod's statement says:

"It is agreed, among those who are competent to speak on the subject, that this shrinkage is due mainly to three factors—the persistence of war debt obligations; the maintenance of high tariff rates and drastic exchange regulations all over the world; and the continued stoppage of the flow of capital, in the form of new long-term investments, from the creditor countries to young and growing debtor countries.

Must Solve Problems

"In any case, all of these three groups of problems must be faced and solved constructively, before we can hope for healthy conditions in which the world's business may revive. In an ideal solution, all would be dealt with simultaneously; but there are no signs of a simultaneous solution.

"Meanwhile, the bare fact remains that the controversy which has just come to a head relates to the war debts. In the present plight of the world, the need for constructive action is so great (and this statement has especial force when considered from the standpoint of exporters in the United States, who have lost even more business than our own exporters), that we watch with especial interest the discussions now proceeding, between Britain, France, Italy and the United States."

"PAY UP" DEMAND IN UNITED STATES IS POOR BUSINESS

Royal Bank Letter Says It is Bad Time for Appeal on Debts

The default of France and Great Britain on war debts would be a blow to confidence in all nations the December letter of the Royal Bank of Canada says, and it is important to the United States that the sanctity of such contracts be defended and that such default be avoided.

The attitude of the United States (in demanding payment in full) "is not good business," the letter says. "It does not constitute effective realism." This is explained as follows:

"It has been estimated that the annual income of the United States has fallen by about thirty billion dollars in the last three years. Any arrangement which would tend to restore a considerable proportion of this lost income is of more importance to the United States, from a realistic viewpoint, than the collection of a few million dollars in debts."

Bad Time For Appeal

"It is a bad moment in history to make an appeal for generosity," says the letter. "A national deficit of more than $700,000,000 (in the United States) outweighs the considerations which might lead to the remission of any large portion of payments from abroad."

Speaking of the aspect of the war debts from the point of view of debtor nations, the letter says:

"Although the major principles of economics have had but little influence upon governmental policy in any country during the last ten years, yet economic law exacts its own retribution. The debts are to an amount greater than the amount of gold in outside countries; payments can be made only in goods. In order to receive payments a country must expect to import more than it exports, or else continue to make annual loans to an amount which will offset payments of principal and interest and the excess of her exports. There is no other possibility. . . . . The great economists of both the United States and Europe have said that these statements are pertinent and that it was the continued effort to circumvent the working of this natural law which was the factor most directly responsible for the depression. It is impossible for a great creditor country to have an export surplus unless it continues to make new loans on an ever increasing scale."

The letter points out that although at the end of the war Great Britain was owed two and a half times the amount she herself owed, it was the recognition of the potential ill effects which would follow attempts to transfer such huge amounts which led to her efforts to cancel all inter-allied debts.

When her German reparations payments stopped after the Lausanne Conference, Britain found herself faced with payments to the United States beyond her utmost capacity. In 1923, when the debt settlement with the United States was made, Britain's total annual exports to that country were $404,000,000. In 1931 these exports had dropped to $77,500,000. This made payment of some $160,000,000 per annum on the debt account peculiarly difficult, the letter says.

The British, the letter states, feel baffled by a demand that payment in full should be made by allied countries whose need is now even more acute than was that of Germany, when Germany . . . . .is allowed to escape without payment. If the rehabilitation of Germany was a matter of paramount importance, the restoration of Europe is now a matter of at least equal importance to the world.

WAR DEBTS RECORD COMPLETELY TOLD IN SINGLE VOLUME

Authors Aver World Needs Their Elimination For Prosperity

Most comprehensive study yet made of the whole question of inter-allied war debts and reparations payments is that provided in "War Debts and World Prosperity," just published under the direction of the Brookings Institution, Washington. The new volume will probably become the classical source of reference on the history of the war debts, and the subsequent controversy regarding them, and on the essential statistical and other factual matters.

"War Debts and World Prosperity" has been prepared by Harold G. Moulton, well known for his similar study of the St. Lawrence Seaway question, and Leo G. Pasvolsky.

The Institute of Economics, which is part of the Brookings Institution, carries on extensive economic studies, many of which are published in book form. Since the end of the war it has printed a number of studies of different phases of the reparations and war debts question and this volume brings together all the important parts of its previously published material as well as much new material.

Favor Their Elimination

Of interest is the fact that the authors have devoted a chapter to presenting their own views regarding the war debts, views formed after a great deal of earnest and independent study. Their final conclusions are as follows:

"Our answer to the two fundamental questions with which this analysis has been primarily concerned is unequivocal:

"1. A complete obliteration of all reparation and war debt obligations would promote, rather than retard, world economic prosperity.

"2 The collection of these inter-governmental debts would be economically detrimental, rather than beneficial, to the creditor countries.

"The basic economic implications of the war debt problem are clear. The attempts to collect obligations, resulting not from productive economic developments but from the destructive processes of the war, have only served to impede the restoration of international economic equilibrium and world prosperity. While the obliteration of the war debts would not solve all the manifold difficulties under which the world is laboring, economic analysis leads unmistakably to the conclusion that the restoration and maintenance of world prosperity will be rendered much easier if the disorganizing effects of the war debt payments are eliminated once and for all."

The statistical appendices will replace many a well-filled folder of clippings and pamphlets in the files of newspaper editors and other students.

"War Debts and World Prosperity" is published in Canada by George J. McLeod, Limited, Toronto, at $3.50. It is a well-bound volume of some 500 pages.

BANKRUPTCY ACT IS NOW IN FORCE ACROSS DOMINION

Delays Have Occurred in Licensing of Trustees

Amendments to the Bankruptcy Act passed earlier this year by Parliament are now in effect, having come into force Dec. 1. There has been some delay in dealing with cases now before the courts in various provinces because the new Superintendent of Bankruptcy at Ottawa, W. J. Reilly, has not completed licensing of trustees necessary under the new act.

In some cases trustees have been appointed provisionally under the new act, while in others appointments have been deferred and creditors' meetings postponed until definite word is issued from Ottawa as to what former trustees will be allowed licenses under the new act. No trustees will be able to operate without the license of the Superintendent and the sanction of the official receiver.

Some trustees have already had notice that they will receive their licenses as soon as they produce the blanket bond required under the new law. License fees and amounts of bonds required are understood to be as follows:

Fees, in cities over 100,000, $50; 100,000 to 50,000, $25; 50,000 to 25,000, $20; 25,000 to 10,000, $15; in communities of 10,000 and under, $10. Renewal fees in corresponding cases will be $25, $20, $15, $10 and $5, respectively. Bonds will be required for $10,000, $5,000, $4,000, $3,000 and $2,000 respectively, these to be posted at Ottawa before the license will be issued, in addition to the individual bonds in each bankruptcy required by previous legislation.

Under the new system, each estate will contribute to the expense of administration at Ottawa by a levy of one half of one per cent, this to be a first charge on such estates ranking above preferred claims.

Other requirements of the act include provisions that the trustee must report to the registrar and superintendent of the division on balance sheets of assignees in order that any bankrupt's sales of stocks or immovables may be controlled as to charges and fees.

Bankruptcy inspectors have no longer the power to accept trustees' reports which have to be taxed by the registrar's court, and the fees of the trustees will be controlled by the above court and those of the inspectors also.

It will probably be found necessary to limit the number of authorized trustees under the new act as it is thought that bankruptcy proceedings can now be handled efficiently through fewer officials

BANK OF MONTREAL

Annual General Meeting Held 5th December, 1932

The 115th Annual General Meeting of the Shareholders of the Bank of Montreal was held in the Board Room at the Bank's Headquarters.

On the motion of Mr. H. R. Drummond, Sir Charles Gordon, G.B.E., was requested to take the chair.

Major-General the Hon. S. C. Mewburn, C.M.G., moved, seconded by Dr. George E. Armstrong, that Lt.-Col. G. L. Ogilvie and Mr. G. Rutherfurd Caverhill be appointed to act as Scrutineers, and that Mr. C. H. Cronyn be the Secretary of the Meeting. This was carried unanimously.

Sir Charles Gordon, President, in addressing the shareholders, said in part:

THE PRESIDENT'S ADDRESS

Gentlemen,—The report of the business of your Bank for the year ended October 31st, which has just been read, will, I trust, be deemed satisfactory, having regard to the difficult conditions prevailing throughout the period. We have been confronted with declining trade, dislocated foreign exchange, lessened demand for banking accommodation and low rates of interest in the world's monetary centres; yet we have managed to earn fair profits, to preserve a strong liquid position and to meet the legitimate requirements of our customers.

Before moving the adoption of the report, I desire briefly to survey conditions both here and abroad. The decennial revision of the Bank Act, which precedes the renewal of our bank charters, is not to be made until the next session of Parliament. Meantime, indeed for many months past, discussion of the monetary question has been rife, and in some quarters there is advocacy of a central national bank, after the pattern of the Federal Reserve Bank in the United States; of restriction of note circulation to direct agencies of the Dominion Government; and of the introduction of inflationary measures by Government issues of irredeemable Dominion notes.

Now, in the first place, I submit, there is no need of a central bank in Canada. For all practical purposes, such an agency already exists in the Finance Act, under the provisions of which the chartered banks borrow at the Finance Department and obtain such amounts of Dominion notes as may be required. For these advances the banks pay interest. This legislation has been in operation 18 years and admirably performs its purpose.

In the second place, monopoly of the note issues by the Government would not increase by a single dollar the amount of currency in the hands of the public, unless the notes were made irredeemable and recklessly emitted regardless of the security and solvency of the borrower.

The shore of financial history is strewn with wrecks of ventures in irredeemable paper money, from the time of the French Revolution in the 18th century down to the days of the Great War and subsequent years. If there is one fact in finance more firmly fixed than another, it is the certainty that the unrestricted issue of paper currency culminates in disaster. I may point out, moreover, that we in Canada do not suffer from inadequate credit or inadequate currency. Trade has contracted in volume and value to a degree where much less currency and credit are required for its conduct. Our banks welcome borrowers to whom they can safely lend, and as trustees of depositors from whom their loaning resources are derived, banks ought not to lend on any other condition.

Upon the subjects of a central bank, the revision of the Bank Act and also the tying up of the dollar with the pound, much has been said and written of late. All these questions are difficult for the lay mind to grapple with, and it is not my purpose to deal with them at this time in detail.

So far as our banking system is concerned, it is well to remember that not a single depositor has had to wait for a moment to get his money from a Canadian bank during the past year, while tens of thousands of depositors in the United States have had to wait in line, only to be told finally that their bank had closed its doors. This fact is an argument that will appeal to most people.

THE IMPERIAL ECONOMIC CONFERENCE

The outstanding event of the year has been the meeting at Ottawa of the Imperial Economic Conference, made possible by the changed fiscal policy of the British Government. By consent of the delegates, who came from the four corners of the Empire, a new economic policy of profound significance to the future course of world trade was adopted. The agreements, by which the United Kingdom and the more important units of the British Empire have undertaken to trade on a basis of mutual preference, open up to the countries concerned trading vistas of vast significance, and, as far as Canada is concerned, it is impossible not to believe that highly beneficial results will accrue. Not only is Canada given a favoured place in the markets of the United Kingdom for the more important of her primary products, and not only does she secure free entry into the United Kingdom for a wide range of manufactured products upon which substantial duties are levied against other countries, but these advantages are secured to us for a definite period, long enough to test the efficacy of the agreement. In consideration of these advantages, Canada has given freer access to her markets for an extensive range of the products of the United Kingdom, both by enlarging the preference as between these products and those of foreign countries and by lowering the protection accorded many of her own industries. Canadian manufacturers on this account have been called upon to make substantial sacrifices, but I think I can say that in every case they have done so in a spirit of loyalty and co-operation, as their contribution to the common cause.

There has been during the last three years a somewhat constant decline in Canada's external trade, whether measured by volume or by value. In the 12 months ending with October 31st last, that trade amounted to $989,000,000 against $2,584,000,000 in the corresponding period in 1929, a decrease of about 60 per cent, but it is interesting, perhaps significant, to learn that the ratio of decline has lessened in recent months. Two features may be noted: Canada's commerce with Great Britain is again rising and our imports from the United States have fallen off. Factors causing a larger trade with Great Britain are: tariff exclusion of Canada's farm, forest and mine products from the United States, and the giving of tariff preferences to Empire products by Great Britain. Our adverse balance has been converted into a favourable one. In the twelve months to October 31st last, exports of domestic products exceeded imports by $43,013,000, while in the like period a year ago imports were $42,995,000 in excess of exports, so that the net gain amounts to $86,008,000.

CONDITIONS IN EUROPE

In regard to conditions in Europe, especially as they affect the outlook for the recovery of international trade, it may be said that the Lausanne Agreement designed to reduce the burden of reparations, the ratification of which is subject to a revision of war debts, has provided the first evidence of practical co-operation between nations, and the forthcoming World Economic Conference will, it is hoped, mark a further advance in concerted action and succeed in evolving measures that will permit of a freer movement of goods and money. Great Britain, since her departure from the gold standard some fifteen months ago, has recovered in large measure the confidence of the world, and although for the time being the ability of London to function as a financial centre is limited because of the existing hindrances to the free flow of credit, there is assurance that when these are overcome the invaluable experience and machinery that London can offer will again be availed of and will play their part in the reconstruction of the economic and financial fabric of the world.

During the year Great Britain has balanced her budget, has repaid the credits obtained from the United States and France to support the pound, and has effected a series of conversion operations totalling the vast sum of £2,500,000,000. These conversions will produce a saving to the Exchequer of £38,000,000 per annum in interest, will make for a lowering of interest on all borrowings, and it may be will permit a lightening of the burden of taxation that is bearing so heavily on the country. British Government securities now stand on a basis of about 3½ per cent.

In connection with the decline of the pound sterling, changes in the cost of living, as measured by the purchasing power of the pound, have not been important, as the decline in the values of commodities and raw materials has kept pace with the decline in that purchasing power. This, of course, cannot be expected to go on indefinitely. In the meantime, however, there has been no important advance in the cost of living in the United Kingdom.

CONDITIONS IN THE UNITED STATES

In the United States, as a result of the increasing severity of the depression and the persistence of price declines, the number of commercial failures reached the highest total on record. Liabilities involved were also greater than in any previous year. Particularly sharp declines occurred in the iron and steel industries, and the output of automobiles and related lines dropped to the lowest level of a decade. Agricultural income suffered a sharp decline, owing to the decrease in prices of farm products. Evidence of this is found in the fact that the average value per acre of the ten leading crops was less than $9 in 1932, as compared with over $13 in 1930 and over $19 in 1929. The year was marked by serious runs on banks, followed by many bank suspensions. In recent months remedial measures adopted by the Government have caused a sharp drop in such failures and reopenings of closed banks during this period equalled or exceeded the number of suspensions.

Owing to doubt of the stability of the American gold standard, heavy withdrawals of foreign balances took place at one period, causing an unprecedented demand for gold; all such demands were met, however, without weakening the financial structure of the country. At the peak of the demand in June last, the monetary gold holdings of the United States were reduced to $3,919,000,000, as against average holdings of $4,454,000,000 in 1926, considered a normal post-war year. Gold holdings are now back to $4,260,000,000 and the flow continues inward.

It has been a problem to employ profitably that portion of the Bank's reserve carried in New York, as money rates have been extremely low.

MANUFACTURE AND AGRICULTURE.

In common with those of all other countries manufacturing conditions in Canada have been far from satisfactory. Outstanding in this respect has been the situation in regard to the pulp and paper industries which have headed the industrial lists of the Dominion in wage and salary distribution since 1922 and have been the first in gross value of products since 1925. Canada's exports of newsprint have for years been second only to her exports of wheat, and it is unfortunate that over-development of productive capacity, combined with sharp reduction in demand, has reduced the industry to a non-profitable basis. Recent price-cutting has added to these disabilities and has shown more clearly than ever that there can be no permanent betterment until measures for co-ordinating production are put into effect. Leaders in the industry have been working earnestly and assiduously to this end and are well advanced in the intricate valuations and other compilations necessary as a basis upon which to formulate plans for a practical solution. Other major industries have felt the depression acutely during the year. The lack of export demand and the low ebb to which building construction has fallen have brought the lumber industry practically to a standstill. In the mining field, producers of silver, copper, lead, zinc and asbestos have laboured under great disadvantages owing to low world prices for their products, and the only branch of the industry which has advanced its position during the year is gold production. Unsatisfactory world markets have rendered fishery operations in the East relatively unproductive of profit, but on the Pacific Coast the salmon pack of approximately 1,050,000 cases is being marketed satisfactorily.

Among factories, those engaged upon cotton, woollen and artificial silk products have been fairly well employed, as also have boot and shoe factories. Public works are not being proceeded with on any large scale, and railway construction, together with the production of railway equipment and materials required for maintenance, once a large source of employment of labour, is at a standstill. Such indices as car loadings, railway earnings, bank clearings, bank debits and note circulation attest the recession in the volume of business. Hydro-electric development has reached the point of saturation, and until trade and industry take on more activity new projects are not likely to be undertaken.

The fall in commodity prices and the fluctuations in foreign exchange have dislocated the commerce of the year. The index number of commodity prices as a whole has declined in Canada from 100 in 1926 to 65.9 in October last, or by one-third. This recession has hit hardest the agricultural classes, the prices of whose products have dropped to 44.9 from 100 in 1926, or more than one-half. In such circumstances, inducement to retailers to carry more than hand-to-mouth stocks is lacking. In the security markets the lowest point was reached in June, since which time there has been some betterment.

The harvest, notably of grain, in Canada was of good average, the 411,000,000 bushels of wheat produced in the three prairie provinces being 127,000,000 bushels in excess of last year's crop, and of coarse grains production was substantially larger than in 1931. The Western wheat crop moved rapidly, deliveries between August 1st and November 10th exceeding 230,000,000 bushels. It is unfortunate that the price of wheat has dropped to the lowest figure in the history of the Winnipeg Exchange, duplicating in this decline to new low levels the course of many other world commodities. There has been a large make of cheese, butter and other dairy products, and a greatly increased export of meats to Great Britain. The removal of restrictions on Canadian cattle imported into Great Britain as a result of the Ottawa Conference is expected to stimulate shipments to that market next season.

PUBLIC DEBT AND TAXATION.

The weight of public debt and taxation restricts trade. In less than two decades our Federal funded debt has increased from $336,000,000 to $2,500,000,000, or nearly eightfold, while in the same period provincial and municipal debts have mounted in relative ratio. Seventeen years ago, no direct taxation was imposed by the Dominion Government; in the last fiscal year the amount raised by such levy was $122,266,000, and within sixteen years provincial government taxation has risen from $15,700,000 to $125,000,000. I may point out that this is an annual levy of a quarter of a billion dollars for Dominion and Provincial Government obligations alone. In this connection I may mention that in 1931 a conversion offer was made by the Dominion Government in the nature of an exchange of the 5½ per cent. bonds due 1932, 1933 and 1934 for bonds of a new issue which would bear the same rate over the same period, and after that a rate of interest of 4½ per cent. The total amount converted was $599,983,000. The interest charges on this sum at 5½ per cent. amounted to $33,000,000 per annum. At 4½ per cent. the interest charges are $27,000,000, so that after 1934 the interest saving as a result of the conversion operation will amount to $6,000,000 per annum. Of the 1933 and 1934 issues there are still outstanding $396,110,000, and if ways and means can be found for replacing this balance at or before maturity at a rate of 4½ per cent. the additional saving per annum will amount to $4,306,000, or a total of over $10,000,000.

It is a new experience for Canada to be confronted by the fact that the cost of government has become a major factor in the cost of doing business. Unemployment relief has, of course, added to the burdens, but even so, if Government were strictly confined to its appropriate functions, a large scaling down of expenditures could be accomplished. There is a disposition in many quarters to look to the Government, both local and federal, for bounty in one form or another, but it should be remembered that a government of itself produces nothing. The funds it disburses are a levy on the business activities of the people, no matter what form taxation may take, and the heavier the burden the greater the difficulty of business revival. I am glad to be able to say that in many quarters active steps are being taken to reduce substantially government outlays, and it is to be hoped that this movement will spread until all classes of public expenditure are brought into relation with the actual tax-paying capacities of the people.

THE RAILWAY SITUATION.

In the total public debt which I have quoted is included $1,044,000,000 borrowed by the Dominion Government and loaned to the Canadian National Railways, but I have not included that other liability of the Dominion Government as guarantor for securities issued direct by the Canadian National Railways which amount to 970 millions of dollars, upon which and other funded debt of the Canadian National Railways, totalling $306,000,000, interest of approximately $56,000,000 was paid in 1931. The Canadian National Railways are costing the people $5,000,000 monthly in interest on bonds of the Canadian National Railways in private hands, and about the same amount in interest on Dominion debt representing advances to the Canadian National Railways—a total of $10,000,000 monthly.

Public ownership of more than half the railway mileage of Canada has increased the burden of general taxation and complicated Federal finances. In view of this serious state of affairs, the Dominion Government appointed a Commission on Railways and Transportation to examine the situation. Following upon the report of this Commission, and the presentation to Parliament of a Bill drafted upon its recommendations, Parliament and the people of this country are now giving serious study to the whole railway situation.

The position is that, on the one hand, we have the Canadian Pacific Railway Company with a capital of $1,100,000,000, composed of bonds, preferred and common stock subscribed for by the public, partly in Canada, but for the most part abroad, not a dollar of which vast sum is guaranteed in any way, either as to principal or interest, by the people of Canada, and the payment of interest upon this capital depends entirely on the ability of the directors and management to make the road pay. This money has been used by the Canadian Pacific Railway Company to carry out the terms of its original contract with the Dominion, made in 1881, which provided for the establishment of a perpetual service. It has been used, not only in the building of a railway and of all the services that go with it, but in the development of many other projects, such as immigration, agriculture, mining and other activities which have played a conspicuous part in the development of the country.

On the other hand, we have the Canadian National Railways, owned and operated by the Government, upon which the immense sums I have already mentioned, provided or guaranteed by the public exchequer, have been expended. This money has been used to build up a separate transportation system, but no matter how carelessly or how extravagantly it may be managed, every dollar of both principal and interest is guaranteed by the people of Canada.

Thus, in the first instance you have a property requiring the most careful management in order to make good, and on the other hand you have a property without a balance sheet; and no matter what the results may be, those investors who hold the obligations of the Dominion Government, representing expenditures upon the publicly owned system, need have no fear as to the payment of principal or interest, for the people pay these in any case.

The Bill now before Parliament, which in its present form proposes to place the control of both properties in the hands of arbitrary tribunals, is receiving challenge as an interference with the rights of the private company, and it is doubted that in its practical results such a Bill can achieve its object. It will be apparent that a scheme of co-operation and arbitration of differences under a system which continues the parties in competition presents difficulties, and it is to be feared that it would not effect the economies which the situation imperatively demands. It will be apparent, also, that the maximum of economy can only be obtained by a union of interests which will make united administration possible, and it is to be hoped that some plan may yet be devised to provide for this. Obviously, the more permanent such an arrangement can be made the more effective and advisable it will be.

THE OUTLOOK.

In this brief sketch I fear that some may think I do not strike a very optimistic note. At this time last year most of us thought we were nearing the end of the depression and that during 1932 we would see a marked change for the better. Unfortunately, 1932 has seen a further recession in business, and any improvement that has taken place from the low point, which was reached in June last, has not been up to expectations.

It must be borne in mind, however, that the present depression is world-wide, few, if any, countries escaping, and that it has been most severe in the most highly developed countries; I mean those such as Canada, the United States, Great Britain and others that do a world-wide business and in which manufacturing, agricultural and other industries combine to make up the volume of trade.

I am asked the question every day, "Do you see any light in the situation and has there been any change for the better?" The answer to this must be very guarded, because although there has been a decided turn for the better in the stock market since June, during which month it reached its lowest point, and whilst the general financial situation is easier, still we have not seen that improvement in general business or in railway car loadings which usually follows within a reasonable time the two changes I have mentioned. Nevertheless, I think I can truthfully say that Canada has come through the extreme depression and difficulties better than other countries in a similar economic position. We have managed to keep well in the middle of the road and must continue to do so. We require honest and efficient leadership in our railway policy for the future, as this is our most serious problem. We must continue to safeguard our financial and economic position to the very limit of our ability, hoping that the turn for the better is not far off and that the long road of depression will soon come to an end, with our country quickly responding because of the general soundness of its position. (Applause.)

THE GENERAL MANAGER'S ADDRESS

The Chairman then called upon Mr. W. A. Bog, as Joint General Manager, to read the address of the Joint General Managers, which was in part as follows:

Mr. President and Gentlemen:—

On behalf of Mr. Dodds and myself, I have the honour to present to you the one hundred and fifteenth annual balance sheet of the Bank.

A reflex of the further shrinkage in general business which has occurred throughout the Dominion this year is to be found in the figures submitted, which show that the Bank's assets now total $769,200,000 against $794,500,000 a year ago, a decrease of $25,300,000. This decrease, I think you will agree, is a moderate one, in view of the state of domestic business, the large decline in foreign trade and the low levels to which all commodity values have fallen.

As illustrating the effect of the business situation on banking figures in general, the total debits of all banks in Canada to individual accounts for the 12 months ending 31st October last amounted to $26,774,000,000, a decline of $5,318,000,000.

Commercial failures in Canada for the year ending 30th September numbered 2,427, with liabilities of $49,684,000. This compares with 2,258 failures, with liabilities of $44,397,000 in 1931.

The Bank has maintained its traditional liquid position and this has been done without in any way curtailing the legitimate needs of our customers. The cash and quick assets that we held at the close of our bank year amounted to $439,768,000, representing 63.46 per cent of our total liabilities to the public. Of these assets actual cash, i.e., Government legals and coin, amounted to 12.22 per cent.

Call Loans at $25,200,000 show a decrease of $12,300,000. Those in Canada are down $4,100,000, those abroad $8,200,000. We hold in New York a substantial amount of United States Government short term obligations which are immediately realizable.

Our deposits in other banks are $31,800,000, an increase of $9,600,000.

Investments, not exceeding market value, amount to $267,000,000, as compared with $238,000,000 last year; the increase of $29,000,000 being entirely in Dominion and Provincial Government securities.

Current Loans in Canada (including advances to municipalities) total $281,000,000, a decrease of $41,000,000.

Current Loans elsewhere agregate $17,900,000, a decrease of $5,100,000.

Bank Premises are shown at $14,500,000, the same figure as in 1931.

In valuing our assets, ample provision has been made for all bad and doubtful debts and depreciation of securities.

Capital and Rest remain unchanged at $36,000,000 and $38,000,000 respectively.

Deposits total $635,700,000, a decrease of $21,100,000. Notice Deposits show a decrease of $13,000,000. Demand Deposits a decrease of $20,000,000 and Dominion and Provincial Government Deposits an increase of $12,000,000.

Balances due to other Banks are $13,000,000, an increase of $900,000.

Profits amount to $4,663,000 as compared with $5,386,000 last year. The decrease of $723,000 is in keeping with the reduced turnover of business generally and the lower rates earned on our reserve funds.

In the past we have published a half-yearly report at the end of April. We shall probably not continue this as it does not properly indicate the result of the full year's business.

On the 31st October we had 606 branches in operation.

A DIFFICULT YEAR

The year through which we have just passed has been one of stress and anxiety to all nations of the world—there has been no exception. In Canada we have done better than most other countries, but there are still many difficulties to overcome. The partial paralysis of international trade, induced principally by the determination of creditor nations not to accept payment of debts in goods, has adversely affected commodity prices and particularly those of natural products. All countries have been endeavoring to live within themselves—to do this they are producing all the necessaries possible within their own borders and heavily taxing imports—high tariffs are the rule, many adopted, as those in Canada, in self-defence.

During the year the opportunity for safe and profitable employment of our funds has been greatly limited, resulting in lower net earnings notwithstanding many economies instituted, and the shareholders were probably not unprepared to learn that the directors had deemed it advisable to reduce the amount of dividend disbursement. While at first sight the present dividend of 10 per cent may seem a high return, it must be remembered that the shareholders' investment in the Bank is vastly greater than the simple total of capital on which the dividend rate is calculated. In addition to the capital there are a rest account and undistributed profits, the property of the shareholders, which are higher by several millions of dollars than the total capital. Our rest account is made up of undivided profits, which have been accumulating since the establishment of the Bank in 1817, and of stock premiums representing money actually paid in by shareholders which have reached as high as 100 per cent. Therefore, while the dividend is 10 per cent, as a matter of fact it works out on the total amount which the shareholders have invested in the Bank at a figure which is less than one-half this rate.

Our staff of over 6,000 have shared in the sacrifices that have been required, through the dropping of the salary bonus which we had for thirty years granted to them, as well as through the omission of increases. They have loyally co-operated with the management, thus showing their appreciation of the difficult conditions under which all financial institutions are operating and the advantages of steady employment with a pension when they retire, and in the case of married men, provision for widows and minor children.

Our new main office buildings in Ottawa and Calgary are now completed, and in appearance and equipment are fully in keeping with the standing of the Institution. This, for the time being, completes our building programme.

TRADE AND COMMERCE

Detailed reviews of agricultural, industrial and business conditions in the various provinces will be included in the printed reports of these proceedings. The reports will be mailed to shareholders and also will be available upon request to all who may be interested in receiving them. They show how serious has been the decline in practically every branch of business activity.

FINANCIAL CONDITIONS ABROAD

In London the course of the year has been marked by a chain of developments that has brought about a remarkable change in money market conditions. A year ago the Bank of England rate stood at 6 per cent—It is now 2 per cent. Call money was 5 per cent against ½ per cent to 1 per cent today, while the rate for three months Treasury Bills was 5¼ per cent against 1 per cent. Money has been in superabundant supply, attributable to a restricted demand from trade and industry and for financial operations, and also to policy. This ease in money permitted great conversion operations, approximately 40 per cent of the total internal debt, and moreover, has encouraged the repatriation of large foreign balances employed in London and left the market in a healthier condition.

The pound sterling has depreciated in terms of gold, although at one time it appeared that a fair measure of stability could be maintained notwithstanding the absence of a gold backing. It must be recognized, however, that London is almost the only centre off gold that has allowed freedom in trading and exchange.

During the process of the conversion loan operations an embargo was placed on capital issues in London, but this has now been partially relaxed so far as domestic and Empire needs are concerned.

In France during the year, trade and commerce, both internal and foreign, have been on a greatly reduced scale and many industries have also seriously felt the strain. Export trade is hampered by reduced purchasing power abroad and by high tariffs against France. Imports have fallen owing to the slowing up of manufacturing and also on account of the introduction of the quota system, notwithstanding which the visible adverse balance of trade for the ten months up to 31st October was Fcs. 8,329,000,000.

The highly successful conversion of several high interest Government issues into a 4½ per cent issue has been an important step towards placing the country's finances on a sounder and more economical basis.

In the United States, throughout the past year the scene in the financial world has been a shifting one, without parallel, and in industrial and agricultural pursuits continued falling prices and bewildering uncertainty have prevailed. The year has seen liquidation in commodity and security markets, widespread commercial and banking failures, hoarding of currency and general impairment of confidence.

Early in the year, for a short time commercial and industrial activity showed a slight expansion, but thereafter for a number of months there was an almost steady and continuous decline, reaching a lower level than at any time in many years and covering all lines. It is gratifying to note that recently this decline has been somewhat checked—it is hoped and believed permanently.

There are still some disorganized situations and it seems probable that there will have to be additional taxation to balance the Federal budget. Nevertheless, the conclusion may fairly be drawn that the country is making slow but none the less steady progress towards recovery. The Presidential and Congressional elections are now past events and although there is to be a change in administration it is felt that this need cause no really disquieting thought.

THE BANK ACT

A matter which ordinarily would have come up for consideration at the present session of Parliament at Ottawa is the decennial revision of the Bank Act; but this has been postponed for a year awaiting the outcome of the World Economic Conference at which banking and monetary reform will be discussed.

Reform of the banking structure is not a real issue in this as in some other countries, not only because under the Finance Act Canada already possesses through Government channels those advantages which would come from a central bank if one existed, but also because the strength of the present banking structure has been the outstanding favourable feature of the business depression through which we have been passing.

If the circulation privilege were taken away from the banks, as has been mooted, I do not see how they could justify continuing many of their smaller branches, of which even now a large number are operated at a loss, for instead of holding their own notes for till money they would require to hold Government notes, which would be an added burden as it would mean that the banks would have to carry, over and above their necessary reserves, many millions of idle Government notes at a substantial sacrifice in revenue.

That the declining trend in commercial loans in Canada is due to deliberate restriction of credit by the chartered banks is a suggestion which has been advanced from time to time; but so far as your Institution is concerned, there has been no withholding of credit to those to whom we could safely lend our depositors' money. We have over one million deposit accounts in the Bank of Montreal and the average is, therefore, of modest proportions—the banker must always keep his depositors in mind, especially the smaller ones, as their savings are often their all. We would fail to justify the trust reposed in us by these capitalists if we were to make what we consider unsafe advances. Never was the advantage of a Savings account better illustrated than during the last few years. The depositors' capital is intact, it has always been immediately available and a fair income has been received thereon. Furthermore, I should like to draw to your attention the important principle that banks, while seeking new business, should not press money on a borrower no matter how high his standing—business must generate its own steam. It would be a most dangerous procedure for banks, in addition to supplying credit, to encourage expansion which they feel is not warranted.

The decrease in loans which follows the downward swing of a trade cycle is mainly due to reduced borrowing on the part of those who of their own volition contract their operations to conform to decreased consumption.

It has been suggested that a money market should be established in Canada, but money markets can hardly be created; they grow naturally in great centres where wealth and capital congregate. Only countries which have plentiful capital of their own are likely to attract day-to-day money, a debtor country such as Canada can hardly hope to compete in this respect with the United States. The only real money market at the present time on this continent is New York, and in my opinion it will so continue for years to come.

CURRENCY AND CREDIT

A substantial portion of our governmental debts is payable abroad and, in order to ensure that all maturing payments thereon may be effected promptly, the Federal Government has very properly placed certain restrictions upon the export of gold. Nevertheless, the Canadian dollar is firmly linked with sound money. In other countries, capital fled to foreign centres as soon as confidence was undermined through the undue issue of currency—under like conditions the same thing would happen in Canada with a most disturbing effect upon general business and a disastrous effect on our foreign credit. In view of our heavy foreign payments and future needs, the credit of the Dominion must be maintained unimpaired.

There is something to be said in favour of a reasonable discount on our dollar in New York, although it is burdensome to those having obligations to meet in New York funds, but to increase this discount artificially in a competitive way to a level with those countries whose currency is depreciated to a greater extent than ours would be an extremely dangerous experiment as no one could tell where it would end.

We have had three years of business depression, and while there is still no strong indication of a return to normal conditions, yet in world affairs certain correctives necessary to the process of rehabilitation have been achieved, so hope may reasonably be entertained of brighter days from now on. Settlement of the questions of disarmament, war debts and freer international trade remains to be accomplished before a full general recovery can be expected. As far as Canada is concerned, these trying times have brought us to a realization of some of our national problems—among them the paper industry, the railway situation, the wheat and unemployment problems, the extravagances in administrative expenditures with resulting heavy governmental debts and excessive taxation—which latter is one of the great handicaps to business recovery and expansion. At the same time it is imposible not to be struck by the strength and resilience which this country has exhibited. We have experienced a great contraction in our export trade, we have sustained substantial rebuffs in the form of heightened tariffs against our products, we have seen our dollar go to a heavy discount in the United States; and yet with all this we have maintained as high a level of general well-being as any other country, and we are among the few nations of the world promptly meeting every obligation, both externally and internally. These considerations should strengthen our confidence in our country and its future.

Your Bank has come through this period with undiminished prestige, for it can be claimed without exaggeration that events have only served to emphasize the important and outstanding position which it occupies in the business affairs of this country. (Applause.)

REPORT ADOPTED

The Chairman then moved, seconded by Mr. H. R. Drummond, that the Report of the Directors, now read, be adopted and printed for distribution among the Shareholders.

The Report was unanimously adopted.

The motion was carried.

THANKS TO OFFICERS

Mr. George A. Campbell, K.C., then moved, seconded by Mr. W. C. Finley, that the thanks of the meeting are hereby tendered to the President, the Vice-Presidents and Directors for their attention to the interests of the Bank.

Mr. W. N. Tilley, K.C., moved, seconded by Mr. Ross H. McMaster, "That the thanks of the meeting are hereby tendered to the General Managers, the Assistant General Managers, the Superintendents, the Managers and other officers of the Bank, for their services during the past year."

The resolutions were unanimously adopted.

The ballot for the appointment of Auditors and the election of Directors for the ensuing year was then proceeded with.

The scrutineers appointed for the purpose reported that Messrs. James Hutchison, C.A., and Charles A. Hodgson, C.A., were duly appointed Auditors, and the following gentlemen elected Directors: The Honourable Thomas Ahearn, P.C., D. Forbes Angus, E. W. Beatty, K.C., W. A. Black, the Honourable Patrick Burns, the Honourable Henry Cockshutt, General Sir Arthur Currie, G.C.M.G., K.C.B., A. O. Dawson, H. R. Drummond, G. B. Fraser, Sir Charles Gordon, G.B.E., Harold Kennedy, J. W. McConnell, Ross H. McMaster, F. E. Meredith, K.C., Major-General the Hon. S. C. Mewburn, C.M.G., Lt.-Col. Herbert Molson, C.M.G., M.C., Chris. Spencer, W. N. Tilley, K.C., Sir Frederick Williams-Taylor.

SECOND SECTION

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SECOND SECTION

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MONEY RATES ARE AFFECTING TRADE ABROAD

Changes in Currencies May Switch Much Canadian Trade

U. S. A. MAY LOSE

Effects of Exchange Rates Similar to Tariffs or Bounties on Goods

Acting as an invisible factor, foreign exchange rates are tending to alter the course of Canada's foreign trade. Countries whose currencies are at a discount in this country find it more difficult to buy from Canada, and we find it easier to buy from them. The opposite is true of countries whose currencies are at a premium in Canada.

The effect of these widely varied exchange rates is similar to that of import duties or bounties on exports. That is, they tend to alter the importer's cost of foreign goods. For instance, a Canadian importer of goods from the United States must add the cost of exchange to his invoice, this additional cost acting as an import tariff.

Post Makes Study

In order to clarify the probable results of changes in foreign exchange rates on Canada's trade abroad, The Financial Post has made a special study of the subject, embracing 34 world countries whose trade with Canada amounts to 95.65 per cent of our total foreign commerce.

Of these 34 countries, it is found that in the case of 14 of them their currency is at a premium in terms of the Canadian dollar. The currencies of the other 20 countries are at a discount. At the top of the list is Czechoslovakia, whose currency is at approximately 19 per cent premium in Canada, while at the bottom is Japan, whose currency is currently discounted more than 50 per cent in Canada.

Total Canadian imports of goods from the first group of countries, which might be designated premium-currency nations, less exports to these countries, result in a net import balance of $216,000,000. This balance for the fiscal year, 1931, has since been affected by changes in foreign exchange rates since then.

This import balance is adversely affected by the discount on Canadian dollars, which acts as a tariff against these premium-currency countries. In the same way our exports to these countries are encouraged because the lower Canadian dollar acts as a spur to such buyers, because of the price advantages resulting.

Discount-Currency Group

In the other group of 20 discount-currency countries, it will be noted that Canada has a net export balance. Our exports to such countries in 1931 amounted to $325,000,000 as against imports from these countries of some $215,000,000. This left us with a net export balance of some $109 or $110 million dollars, which is adversely affected by the discount on these countries' currencies.

With the Canadian dollar selling at a premium in the currencies of these nations, they now are obliged to pay more for Canadian goods. In the same way, on the other hand, Canadian importers of goods from such countries now obtain them at more favorable price rates than formerly due in part to the altered exchange rates. In some cases this advantage is offset by special duties, as in the case of Great Britain and the special duties against the depreciated pound.

The following tabulation shows the total imports and exports of Canada with premium-currency and discounted-currency countries:

CANADA'S COMMODITY TRADE BALANCE

(1) With Appreciated Currency Countries:		
Exports	Imports	Import Bal.
$445,214,526	$661,865,803	$216,651,277
(2) With Depreciated Currency Countries:		
Exports	Imports	Export Bal.
$325,563,458	$215,949,441	$109,614,017

From the above tabulation the following effects of changes in exchange rates should be noted:

(1) $661,865,803 of Canada's imports from premium-currency countries are adversely affected.

(2) $445,214,526 of Canada's exports to premium-currency countries are favorably affected.

(3) $215,949,441 of Canada's imports from discount-currency countries are favorably affected.

(4) $325,563,458 of Canada's exports to discount-currency countries are adversely affected.

Two Currency Groups

Dividing Canada's 1930-31 trade among the present appreciated-currency and depreciated-currency countries involved, we find that our trade with the former class amounted to some 67 per cent of the total and with the latter about 33 per cent of the total. Among the leading appreciated-currency nations are France, United States, Germany, Belgium, Holland, British Africa and Italy, and much the most important of these is the United States.

Depreciated-currency countries of most importance in our foreign trade include the United Kingdom, British West Indies, India, Argentine, New Zealand, Australia and Japan, of which the United Kingdom is the leader in this respect.

The United Kingdom and the United States are outstanding because of their large proportion of Canadian foreign trade.

In the 1930-31 fiscal year, the United States obtained most of Canada's total trade with countries in the premium-currency class. In other words, all the countries who now trade with Canada under adverse conditions due to their high currency, the United States is by far the most seriously affected.

However, the United States has substantial imports from Canada as well as exports to this country. The United States net export balance to Canada in 1930-31 was $234,855,018 which is more than the same net total from all premium-currency countries including the United States. Thus, balances of other premium-currency countries show a net import from Canada.

Premium is Tariff

The present premium on the United States dollar acts as a tariff against this large import trade into Canada in addition to preferences in favor of other countries, particularly Empire nations. It is estimated that these preferences affect some $150,000,000 of the United States' total trade with Canada, so that the effect of these two factors is strongly unfavorable to the United States' trade with her heretofore best customer, Canada.

The position of Canada's trade with the United Kingdom is almost the direct opposite of that with the United States. In the 1930-31 fiscal year the United Kingdom obtained 68.1 per cent of Canada's foreign trade with all discount-currency countries included in this study. However, the United Kingdom's net visible balance was in net purchases from Canada to the extent of $69,758,042. This position may be altered by the recently created Imperial preferences as well as by the exchange rate advantage. Also special import duties levied in Canada against the depreciated pound sterling tend to offset the exchange advantage.

The result of the United States dollar premium and the United Kingdom pound discount in Canada is to make it more difficult for the United States to maintain their export balance to Canada and easier for the United Kingdom to lower its import balance from this country. In other words, Canada is better able to decrease her import balance with the United States, and is more likely to decrease her export balance to the United Kingdom—because of the present foreign exchange rates.

The same general principles apply to exports and imports of Canada to and from other countries shown in the tabulation on this page as to the United Kingdom and the United States. For instance, France, in the appreciated-currency group, is in much the same relative position as the United States, and New Zealand and Australia are situated similarly to the United Kingdom in the depreciated-currency group.

The tendency of the altered levels of various foreign exchanges on Canada's export trade is to switch it into different channels than those it has been following. Changes in currencies in themselves may not affect our consumer wants materially, but they may have an extensive effect on the sources to which we go to obtain them. We may also find more receptive markets in countries with which we formerly did not carry on our most expensive export business.

How Foreign Exchanges Affect Canada's Trade

Country	Gold Par of Currency $	Foreign Exch. Rate in U.S.A.*	Per Cent of Par in †U.S.A. %	Per Cent of Par †in Can. %	—1931 Fiscal Year— Canada's Exports $	Canada's Imports $
Czechoslovakia	0296	.0296½	100.1	116.2	252,041	3,176,387
United States	1.0000	1.0000	100.0	116.1	349,570,563	584,425,581
France	0.391	0.391	100.0	116.1	13,285,758	19,005,218
St. Pierre-Miq.	0.391	0.391	100.0	116.1	11,004,479	636,435
Russia	5.145	5.145	100.0	116.1	568,100	1,917,652
Germany	.2380	.2377	99.8	115.9	12,942,236	16,191,914
Belgium	.1390	.1385	99 7	115.7	14,962,044	8,420,019
Roumania	.0060	.0059¾	99.7	115.7	49,733	95,427
Switzerland	.1930	.1923	99.6	115.6	561,747	5,484,463
Holland	.4020	.4015	99.6	115.6	10,477,553	7,287,132
Dutch East Ind.	.4020	.4015	99.6	115.6	953,778	440,546
Poland	1122	.1117¼	99.5	115.5	60,118	139,003
Cuba	1.0000	.9937½	99.4	115.4	3,545,221	2,409,078
British Africa	4.8666	4.8000	98.6	114.5	12,193,958	6,593,788
Italy	.0526	.0511	97.1	112.8	14,552,319	5,047,841
Austria	.1407	.1394¼	94.8	110.1	234,878	595,319
Total trade with these 16 countries at exch. premium					445,214,526	661,865,803
Canada	1.0000	.8612½	86.1	100.0	......	......
Newfoundland	1.0000	.8612½	86.1	100.0	10,658,637	2,501,761
Jugo-Slavia	.0176	.0135¼	76.7	89.1	12,916	68,911
United Kingdom	4.8666	3.25	66.8	77.6	219,246,499	149,488,457
Br. West Indies	4.8666	3.25	66.8	77.6	14,920,232	14,247,023
Irish Free State	4.8666	3.25	66.8	77.6	2,764,489	678,115
India	.3650	.2487	65.4	76.0	6,957,050	8,426,716
Sweden	.2680	.1743	65.0	75.5	2,447,205	2,037,457
Peru	.2800	.1800	64.3	74.7	1,579,294	4,535,524
Denmark	.2680	.1700	63.4	73.6	3,604,492	265,642
Norway	.2680	.1677	62.3	72.3	3,305,334	820,902
Brazil	.1196	0740	61.9	71.9	2,799,567	1,349,124
Argentine	.4244	.2600	61.3	71.2	10,007,794	6,739,697
New Zealand	4.8666	2.9750	61.1	71.0	12,688,475	6,671,252
Finland	.0251	.0145	57.8	67.1	90,408	1,388,556
Australia	4.8666	2 6000	53.4	62.0	6,788,708	4,616,722
Chile	.1216	.0606	50.0	58.1	1,057,410	428,310
Uruguay	1.0342	.4700	45.6	53.0	736,658	152,424
Greece	.0130	.0058	44.6	51.8	5,642,245	231,891
Spain	.1930	.0816½	42.3	49.1	1,297,080	1,958,839
Japan	.4985	.2062	41.4	48.1	18,958,965	9,342,118
Total trade with these 20 countries at exch. discount					325,563,458	215,949,441
Grand Totals included in this table					770,777,984	877,815,244
Percentage of Canada's total exports and imports ..					94.35%	96.82%

*Currency prices on Nov. 23 in New York are used because that is the most sensitive North American foreign exchange market.

†As at November 23.

Ottawa Treaty Revision May Follow Bennett Trip

Errors in Pact Affecting Electrical and Telephone Apparatus to be Discussed at London—Dumping Matter Also

From Our Own Correspondent

OTTAWA.—Revisions of the Anglo-Canadian trade treaty are likely to result from the visit of Premier R. B. Bennett to the Old Country. It is learned that several errors were made in the drafting of the Canadian tariff concessions and that, as a result, lower rates of duty were extended to Britain on some important commodities than the government really intended.

One of these lines is electrical apparatus and telephone equipment. In this class of goods the British were given very low tariff rates, almost free trade, and several important domestic industries are suffering as a consequence.

It is understood that the Bennett government had no intention of injuring these industries and that an effort will now be made to obtain the consent of the British government to a revision of the duties.

Dumping Also Looms

Another important matter which Mr. Bennett will take up at London concerns British regulations of state dumping. The treaty in Section 21 carries a clear-cut commitment on the part of the British government to end this dumping, but, so far, no action has been taken.

Last week a delegation representing the British Columbia lumber industry issued a statement at London to the effect that no progress in enlarging Canadian exports from the coast lumber mills could be made until state dumping from Russia and Scandinavian countries was stopped. Premier S. F. Tolmie promptly wired to Ottawa requesting government representation to London.

Think Exchange Responsible

The Canadian Lumbermen's Association, while fully alive to the need of curbing state dumping in the British market do not believe that a restriction of this practice, alone, will banish all the difficulties of exporting lumber, in volume, to the Old Country. The view of the association is that a more serious obstacle to exports at the present time is the disparity between the Canadian dollar and the British pound.

Apparently pressure has been exerted at Ottawa to encourage the dollar to fall to the level of the pound, though recent speeches of Hon. E. N. Rhodes, Minister of Finance, and other ministers, would indicate that the government has no intention of taking action at the present time.

Murder, Arson, Bombing Mark High Gasoline Taxes

High gasoline taxes imposed by Provincial Governments in Canada make very timely a consideration of the situation in the United States where smaller taxes per gallon than in the Dominion in most states have brought about gasoline tax evasion with an accompaniment of murder, arson, bombing outrages, collusion, bribery, kidnapping, impersonation, intimidation, forgery and other forms of lawlessness.

The principal methods of defrauding state treasuries—and some of them have been tried in a more limited way in Canada—are outlined by the current number of Imperial Oil Review as follows:

1. Surreptitious transport of gasoline across state lines. This may be done either to avoid payment of any tax, or gasoline may be moved from a territory where the tax is low to a territory where the tax is high.
2. Setting up of dummy paint companies to buy gasoline tax free ostensibly for manufacturing purposes. The gasoline is then sold for motor consumption.
3. Neglect to report receipts of gasoline or falsification of such reports.
4. Blending natural gasoline, naphtha, kerosene and fuel oils where such are tax free and selling them as motor fuels.
5. Raising gallonage figures on documents recording sales on which there is tax exemption (i.e. sales of gasoline to farmers for use in farm machinery, etc.)
6. Juggling shipments — diverting shipments to some evanescent company which sells the gasoline and disappears before the tax authorities can check up.
7. Corrupting public officials.
8. Conspiring with railway employees falsely to report rail movements of gasoline.
9. Conspiring with unscrupulous refiners to receive shipments which have been improperly or incorrectly reported to the authorities.

To meet these conditions, state officers and officials of the petroleum industry have declared open war on the tax evader and have had recently some success at great expense.

CONSUMERS GAS DROPS COKE PRICE SELLS NOW AT $9

Sells Small Quantities at Works to Help Poorer People

Consumers Gas Company has reduced its price from $10 to $9 for every 50 bushels of coke delivered in Toronto. This works out at 15 cents per bushel at the works as compared with 17 cents per bushel price prevailing for many years. A large retail business has always been done at the works, and the purchases there range from single bushels taken home by small boys on push carts to several hundred bushels on motor trucks.

Gas sales in October and November, the first two months of the company's fiscal year, are almost at the level of the same months in 1931. There are more connected meters at present than there were at the same time in 1931 and therefore some increase in domestic gas sales would have been expected if the colder weather in October had not led to furnaces being lit at an earlier date. Consumption for water-heating was therefore reduced in many homes. Officials state that consumption of gas in factories is on a level with that of 1931 at the same time.

CAN. CELANESE PAYS $1 ARREARS ON PREFERRED

First Payment on Back Dividends Cuts Total to $28.75

From Our Own Correspondent

MONTREAL.—A payment of $1 a share on arrears of preferred dividends of Canadian Celanese Ltd. has been declared payable December 31 to shareholders of record December 17. This marks the company's first step to reduce dividend arrears which totalled $29.75 a share; the disbursement will involve distribution of $90,000 in addition to the regular payment of 1¾ per cent on the $9,000,000 of 7 per cent preferred stock.

Shareholders have waited for six years for this payment. The preferred stock dividends were cumulative from April 1, 1932, and no payment of any kind was made until December 31, 1930, when an initial disbursement of 3½ per cent was paid. From that time regular dividends at the rate of 7 per cent have been maintained but the forthcoming additional $1 will begin to reduce the arrears which had piled up till the time when dividends were first instituted.

Sweezey Offers Solution of Newsprint Troubles

Suggests Setting Up Central Agency to Control Marketing of Newsprint Paper Produced by Eastern Mills

From Our Own Correspondent

MONTREAL.—Establishment of a central agency to control the marketing of newsprint is put forward by R. O. Sweezey as a solution to present day problems in the newsprint industry.

For more than two years attempts have been made to discover some method or means whereby the industry could be put back on its feet. These efforts have not been fruitful to date. As the situation now stands a number of companies are in receivership, others are not earning their charges, while the market situation is such that every effort is being made to prevent a wide-open break. Various temporary expedients have been used, but still the industry is without any concrete plan for its salvation.

In speaking over the radio from Montreal, Mr. Sweezey presented to his listeners a plan for a central agency which he believes would prove a solution to the industry's problems. In view of his long association with the industry, his plan is worthy of consideration and is here presented in an abbreviated form:

The capacity of the paper mills in Canada is something over 12,000 tons daily. There is business enough to allow for a production of 6,000 tons daily, which would permit all mills in Canada to operate at 50 per cent of capacity. But this is what intercompany fighting has been about. Some mills operate at 100 per cent, while others have orders permitting them to run only 30 per cent or 40 per cent capacity. The result has been cutting of prices and destructive competition, which has led nearly every company to the brink of bankruptcy.

There is a popular belief that overexpansion in the industry has been of the most reckless order, but with business enough to operate the whole industry at half capacity in times like these it is not unlikely that under normal conditions all of the capacity of the present plants in Canada could be kept in operation. The outlook, therefore, from a business standpoint, is not so bad. In fact it is good.

Big Merger Idea

It is apparent that one of the misfortunes of the industry is to have had injected too much investment banker spirit. This has gone hand in hand with the big merger idea which seems to intoxicate nearly every financier, who loses sight of production costs, and thinks primarily of the vast power he can wield. Sadly enough those responsible for operating the mills have acquiesced too readily in this orgy of mergers which have produced such mounting unit costs, coupled with exasperating extravagance. Of course the theory is that it should cost less per ton to operate all the mills under one management. Practice, however, has proven that theory to be utterly wrong.

The financial structures of some mergers are also open to serious criticism. In absorbing scattered plants into large organizations, some of the properties acquired were either obsolete or a serious burden to carry, and not at all needed except to gratify an ambition for bigness. Had such properties been left to carry their own mortgages separately, instead of consolidating all bonds of scattered properties into one new issue, the weak plants would not be pulling down the group structures as they are now doing in some cases.

Remedy is Obvious

For several years the industry has been faced with mounting costs and diminishing returns. In some Canadian mills today paper is selling for less than it costs to make it. The remedy is obvious—costs must come down; leaders in the industry must stop cutting prices and a fair basis must be adopted. Each and every paper company has been fighting each and every other paper company under the most destructive kind of leadership that has ignored regulating facilities of the most attractive kind.

Security holders in the industry are, of course, interested in hearing of a remedy for the present ills, and are not so keen about the past history of the industry. When are these investments — now dwindled to sad shadows—going to revive and show some return to the disheartened holders? The answer is that it depends more upon the conciliatory ability of the heads of paper companies than it does on business conditions. It is fair to assume that extravagant methods of operation can be quickly remedied, but the complexity of personal rivalry is really appalling at times, and, in this situation, may continue to block the road to recovery.

The present situation is critical. It demands prompt and effective action, and the clear-cut solution is to organize one central sales body, into which every company shall pool existing contracts, making this central sales body sole sales agent for all companies. In this way each company can be sure to receive its pro-rated tonnage of available business. It will then be free from having to depend upon the shadowy force of "Gentlemen's Agreements" which do not bind, and the price may be stabilized at a fair figure, in which the buyers of newsprint paper shall find proper comfort and confidence in the integrity of the producer.

In such a move as this it is not necessary to secure the consent of several classes of security holders in the various companies (as would be necessary in forming a merger). Instead, the general manager of each concern, or the liquidator as the case may be, would have power to subscribe to the plan and commit his company to its fulfilment. Each commitment may be taken subject to all others entering the plan. One or two men of ability can easily and quickly organize such an undertaking.

The results would be that every mill would receive the same price for its product, and the management could direct its attention to lowering of costs and elimination of waste instead of spending its valuable time in the luxury of a large city.

In a central sales organization there are necessarily many minor problems to overcome, but these can properly be left to the well chosen head of the proposed organizations. Questions of obsolete mills and fair division of tonnage are minor problems compared with the solution of the larger problem of discontinuing the silly destructiveness of the past few years. Month by month after the plan has been put into force the low cost mills can be rewarded for their efficiency by a carefully studied formula of increasing tonnage allowances.

Effect on Securities

Now, the investor wants to know, what effect will the adoption of this plan have on his securities? Well it is fair to assume that it will first of all maintain the present price of $45 a ton (United States funds) delivered, or $34 to $38 at the mill. It will also allow every company to operate at 50 per cent of capacity. But some companies owning several plants may shut down certain ones entirely and operate certain other mills to capacity. That would be sound economy. It should now be possible to make profits of $5 to $10 a ton, but mills must not be compelled to purchase and pay for more power than is needed to operate at whatever capacity may be available.

At $5 a ton profit, and operating at 50 per cent capacity, it will be possible to pay six per cent interest on $10,000 of mortgage per daily ton of installed capacity. At $10.00 a ton profit the mortgage allowable can be $20,000 per daily ton of installed capacity. When the industry operates to full production, as it will when prosperity returns, and profits will again become very attractive—such that interest and dividends on valuations of $40,000 per daily ton capacity may be confidently expected. But, as many of the paper companies are at present in need of working capital, what are they to do? One thing certain is that new capital will not be available unless conditions are stabilized as suggested. Working capital, or any other kind of capital, always comes from the investing public, and generally in small amounts, representing the hard earned savings of thousands of people—heads of paper companies appear to have forgotten this in most cases. So, unless this industry is taken hold of and its self-destructive orgy permanently arrested, no new capital will be forthcoming until the properties sell at scrap value. I do hope that we have enough sense left not to kill the patient in order to effect a cure of the disease.

The immediate adoption of a central sales plan is the only effective way to stop a further cut in the price of the product. Those mills which operate today at full capacity while others are operating only at quarter capacity are heading for destruction just as surely as night follows day unless they are willing or are compelled to co-operate in a plan of self-preservation.

Once order and common sense are made to prevail again in the industry there will be such extraordinary bargains available for new capital that it may be expected to flow in from many directions.

Provide Ample Funds

Any strong holding company, formed for the purpose of supplying working capital to the industry, could at once open negotiations with committees representing senior security holders; and, by the purchase of junior equities, more funds can be provided to rehabilitate the entire industry When real good bargains become available in this line, there will be found many millions of Canadian dollars to enter the field, with a fair expectation of making huge profits. But the small investor must be given a fair run for his money this time. He should be allowed in at the beginning and "on the ground floor," not at the end and on a slippery roof.

Sees No Necessity For Central Bank

Leading Canadian Banker Outlines Chartered Bank Objections to Central Institution in Canada

By a Canadian Banker

I have read with interest the series of articles in The Financial Post by A. F. W. Plumptre, of the University of Toronto, through which he leads up to the conclusion that the establishment of a central bank in Canada would be distinctly to the national advantage. It is clear that he has made a sincere attempt to analyze without bias the intricate problem of the extent to which monetary reconstruction may be necessary to meet our present difficulties and smooth our path for the future.

I feel, however, that some of the hypotheses upon which he founds his cases are themselves unsound and since I believe that the establishment of a central bank in Canada is unnecessary and that its organization and operation in the manner outlined in Mr. Plumptre's articles will involve a drastic and dangerous change in Canada's banking structure which may vitally affect the interests and well-being of every Canadian, I should like to examine his proposals critically and in some detail.

Functions Reviewed

Let us first review the functions which he suggests the central bank would undertake. These are outlined as follows:

1. To be the bankers' bank, i.e., to accept deposits from and make loans to banks and to act as a clearing house for inter-bank settlements.
2. To be the government's banker.
3. To take over the note-issue function from the Dominion Government and possibly from the chartered banks.
4. To assist as experts in the framing of Canada's financial policies and to represent her at international conferences on financial subjects.
5. To concentrate cash reserves and thus to economize in their use.
6. To ensure that the credit and note issue are controlled in the public interest and not for private profit.
7. To exercise a conscious control of the exchange rates which reflect the value of the Canadian dollar in terms of other currencies.

Mr. Plumptre admits that it "would probably not be worth the cost" to establish a central bank merely to perform the first five of these functions, since apparently he considers the country is now fairly well served in these respects. On the other hand, he states (presumably in connection with the last two functions in the list) that to create such an institution "could do no harm" and "might do a great deal of good" while "the cost of the experiment would not be very great."

Weaknesses Seen

I am by no means convinced that the cost of the venture may be dismissed so lightly and I intend to discuss in a later article this question of cost and the structural changes in the banking system which the central bank will involve. That the operation of a central bank could do no harm can hardly be claimed since he himself confesses that central banks can and do "make errors of serious dimensions," and to quote once more ". . . . one might be tempted to say 'central banks have failed in everything they have considered important. They have failed to keep the gold standard secure. They have failed to gain international co-operation. They have failed to instill general confidence in monetary affairs. They have failed to stabilize the general price level.'" These failures are explained and excused, however, on the grounds that "the scenes have changed."

Curiously enough, one of his strong arguments in favor of the establishment of a central bank in Canada is that the chartered banks have failed to maintain the gold standard in this country, since they did not prevent a depreciation of the Canadian dollar (in terms of gold) to a slight degree in 1929 and to a much more serious extent in 1931-32. If the fact that "the scenes have changed" is an adequate excuse for a central bank failure in this respect, backed as those institutions are by all the prestige of the national governments, and often by substantial government resources, possessed of powers far wider than those accorded to any commercial bank, and equipped with machinery designed for, and tried and tested in, earlier emergencies, surely it is illogical to argue that a central bank should be established in Canada because the chartered banks have in the face of the same world catastrophes failed to maintain the gold standard in this country.

I propose to examine in a later article the validity of the charge that the chartered banks are responsible for the abandonment by Canada of the gold standard but before leaving the subject now I would point out that throughout the world's history the scenes have been continually changing and, though these changes have been particularly drastic and difficult since 1914, no institution can be established on the assumption that conditions existing at the time of its inception are to continue indefinitely during its operation.

Control Now Exercised

One difficulty I find in the study of many economic proposals is the lack of a clear definition of the exact sense in which such words as "monetary" are used. The articles under consideration suggest that "monetary power" and the control of "monetary policy" rest in Canada at present solely in the hands of the chartered banks. If in these phrases the meaning is intended to be restricted to the power to grant banking credit and the policy followed in this connection, I agree with their truth. The statutes of the Dominion, of course, give to the treasury board in Ottawa full control of the facilities provided by the Finance Act—a very definite "monetary" power, whether or not the economists believe it is efficiently exercised—while many of the monetary (in the sense of economic) problems with which Canada is now faced and which have a definite bearing on her prosperity, are due to the government's decisions taken to meet critical situations, occasionally in consultation with the bankers but very often not.

Mr. Plumptre seems to imply that Canada's monetary (economic) difficulties are due at least in part to a policy of credit restriction adopted by the chartered banks. I emphatically disagree with this view and propose to discuss in my next article the subject of credit control.

The articles justly say that Canadian bankers view with apprehension some of the proposals put forward by advocates of a central bank of Canada and attribute this to fear of a reduction in chartered banks' profits, of diminished ability to meet the credit requirements of the country and of the possibilities of future political interference through the central bank with Canada's monetary structure, a danger which Mr. Plumptre admits cannot be ignored.

Trusteeship Primary Concern

No doubt these factors, combined with the doubt that a central bank can achieve the high hopes of its proponents, do contribute to the bankers' lack of enthusiasm for the project but they are by no means the principal cause of their uneasiness. This uneasiness arises from the banker's position as a trustee for his depositors to whom he has bound himself to repay on demand the moneys entrusted to him. He knows that should he fail to meet these obligations to the minute the panic which would inevitably ensue may wreck his institution, inflicting untold hardship on his depositors ruining his own reputation, and causing widespread loss of confidence at home and abroad in the stability of the country's financial structure.

He cannot, therefore, look with equanimity upon proposals which involve drastic changes in and uncertain experiments with the financial system under which he has learned to operate safely, a withdrawal (as will be seen later) of a substantial proportion of the liquid assets of the bank which he controls and a surrender (to some not very clearly defined degree) of the right to administer the remaining resources of his institution on such lines as his prudence and experience convince him are sound.

Competitive Possibilities

A further cause for anxiety is the possibility of the Central Bank entering into competition with the chartered banks for deposits and commercial business. Despite the object-lesson which we in this country have had of the evil efforts on both organizations when a government-controlled and a private corporation enter into severe competition with one another, and despite Mr. Plumptre's admonition that it is most undesirable that the central bank should invade the field now occupied by the chartered banks, the possibility still exists that it may.

In a country where the number of borrowers in relation to the total population is as high as in Canada the pressure upon Parliament to approve the granting of loans to the public by the central bank may well prove almost irresistible.

Editor's Note—This is the first article of a series by a Canadian banker written for The Financial Post to give in detail the viewpoint of Canadian chartered banks on the question of a central bank for Canada. Further articles will follow in subsequent issues.

Canadian Car Claim Goes Against Company

From Our Own Correspondent

MONTREAL.—After several years of litigation the claim of the agency of the Canadian Car and Foundry Co., a subsidiary of Canadian Car and Foundry Co., before the Mixed Claims Commission for compensation for the alleged destruction of its Kingsland munitions plant by German agents has been dismissed. Approximately $11,000,000 was involved in the claim, which has been kept alive for more than ten years.

The history of the claim may be divided into three sections. The first phase was the submission of evidence and preparation of judgment, which owing to the death of the commissioner had to be deferred. This resulted in the reopening of the case, when a decision was rendered in favor of the German Government. There was dissatisfaction over this decision and the case reopened on the ground that the applicants should submit additional information to prove their case. The third and present phase of the case resulted in a dismissal of the application and the termination of the claim.

Canadian Fairbanks-Morse Acquires Oil Burner Firm

From Our Own Correspondent

MONTREAL.—Canadian Fairbanks-Morse Co. has purchased the business of the Vilas Oil Burners Ltd., formerly a subsidiary of W. F. Vilas Co., of Cowansville, P.Q.

The oil burner will in future be manufactured in the Sherbrooke plant of Canadian Fairbanks-Morse and will be sold and serviced through the 16 branches of that company.

A special oil burner division has been organized to direct the sales and service of these burners.

PROTECT C.P.R. PLEA OF PRESS SCORE REPORT

Beatty's Demand for Fai Treatment Gets Wide Support

CONSIDER INVESTOR

Foreign Holders of Securitie of C. P. R. Must be Kept in Mind, Declare Editors

Alarm felt among investors here and abroad as to the compulsory arbitration proposals of the Duff Railway Commission was given expression by E. W. Beatty, K.C., chairman and president of the C. P. R., in evidence before the Senate committee on railways.

The Duff Commission recommendation was for an "arbitral tribunal," that would, by statute, be given dictatorial power over the property and policies of both of Canada's two railways. Examination of newspaper opinion from coast to coast indicates that less than half a dozen Canadian newspapers approve the recommendation as a solution of Canada's railway problem and that most of them consider that a statutory interference with the rights of C. P. R. directors to manage their property in the interests of the owners would be a dangerous precedent, certain to be construed abroad as confiscation, and therefore harmful to Canadian credit.

The Financial Post has made an examination of the editorial view of several score Canadian newspapers, which have discussed the Duff report and Mr. Beatty's evidence before the Senate Committee.

"Justice Beyond Question"

The "justice" of Mr. Beatty's claim that if Parliament should insist upon taking the management of their property from the shareholders, the least it can in fairness do is guarantee them against loss or injury of their interests while the railway is being operated under direction of the tribunal is "beyond question," in the opinion of the Edmonton Bulletin.

The Mail and Empire, Toronto, thinks that the government has less moral right to dictate to the C. P. R. than to the C. N. R. It adds:

"We say this because the C.N.R. is owned by the people who can do what they like with it, whereas the C.P.R. is owned by private shareholders and private bondholders, a great proportion of whom live in Great Britain, Europe and the United States. Canada must keep faith with them."

Give Conciliation a Chance

"The reasonableness of the C. P. R. president's objections from the standpoint of his own company cannot be successfully challenged," says the Edmonton Journal, which feels conciliatory co-operation between the C. P. R. and the C. N. R. should be tried before compulsion.

A similar view is that of the Calgary Albertan, which says: "Mr. Beatty's objection is fundamentally sound."

"To hamstring the C. P. R. will not impress most citizens as a device to hasten better times," declares the Woodstock Sentinel-Review, which adds that "Surely Canada's heaviest taxpayer is entitled to as much consideration as any undertaking which governments have protected in the past."

"Unthinkable Proposition"

The arbitral tribunal, in the opinion of the Sherbrooke Record, boils down to the unthinkable proposition of compelling the Canadian Pacific, a solvent corporation, to become part of a wreck-and-ruin system. The Record proceeds:

"The only outcome would be the wreck of two systems, a practical confiscation, a smashing of solemn obligations contained in a chartered agreement. No country with sound business ideals would permit it, or would consent to force in shoving one company into an irreconcilable and inconceivable paradox."

The Saskatoon Star-Phoenix, being a strong C. N. R. supporter, hedges somewhat in its criticism of the arbitral tribunal but concludes:

"When reduced to its fundamental form the question before Parliament is that of the right of Parliament to control private enterprise. Mr. Beatty denies that right unless Parliament is willing to ensure private enterprise a return comparative to that which it can expect by the free management of its own affairs. And in this particular case, in which Canada's strongest corporation pits itself against the authority of Parliament, the private company rests its claim on the sanctity of a charter granted more than half a century ago when such conditions as the present were entirely outside the vision of mankind. It is inconceivable that the railway commission was not aware of the fact that its recommendation called for an infringement of an important provision of that charter."

Consider Foreign Investor

The Winnipeg Tribune sees the arbitral tribunal in the light of the impression it would create abroad:

"Presumably, since amalgamation or consolidation in any form is out of the question, withholding dictatorial powers from the arbitral board would remove Mr. Beatty's main objection to the legislation planned. And of course if Mr. Beatty's views can be met they should be. If we can avoid the impression abroad that private capital is unfairly treated in Canada so much the better."

"We are quite convinced that the Duff Commission's recommendation for the maintenance of both competition and co-operation can never work out satisfactorily," says the Border Cities Star, Windsor. "The legislation now before Parliament is, at best, a compromise. It does not go to the heart of the problem."

"No reasonable fault" can be found by the Sydney Post, with Mr. Beatty's position: "The Dominion of Canada cannot afford to make a dead-letter of any of the obligations into which it entered with the C. P. R. a half century ago, when the building of that great

(Continued on page 15)

DIVIDEND NOTICES

NADIAN CAR & FOUNDRY COMPANY, LIMITED

ividend Notice — Preference Stock

otice is hereby given that a dividend of
-four cents (44c.) per share on the
up Preference Stock of the Company
the quarter ending December 31st,
, has been declared, payable on the
day of January, 1933, to Shareholders
ecord on the 27th day of December,

order of the Board,
A. C. Bourne,
Secretary.
treal, December 5th, 1932.

The Toronto Mortgage Company

Quarterly Dividend

otice is hereby given that a Divi-
d of Three per cent, being at the
of Twelve per cent per annum,
n the paid-up Capital Stock of
Company, has been declared for
current quarter, and that the
e will be payable on and after
2nd January, 1933,
Shareholders of record on the
ks of the Company at the close
business on 15th instant.
y order of the Board,
WALTER GILLESPIE,
Manager.

The Dominion Bank

otice is hereby given that a Dividend
two and one-half per cent upon the
-up Capital Stock of this Institution has
n declared for the quarter ending 31st
ember, 1932, making a total distribution
eleven per cent for the current year —
Dividend will be payable at the Head
ice of the Bank and its Branches on and
r Tuesday, the 3rd day of January,
3, to shareholders of record of the 20th
ember, 1932.

Order of the Board.
C. A. Bogert,
General Manager.
onto, 17th November, 1932.

Nova Scotia Light and ower Company, Limited

Ordinary Dividend No. 13

Notice is hereby given that a divi-
nd of One dollar ($1.00) per share,
the quarter ending December 31st,
32, has been declared upon the
dinary Stock of the Company, pay-
le January 2nd, 1933, to sharehold-
s of record at the close of business
ecember 17th, 1932.
By Order of the Board,
C. J. HAYES,
Secretary.
lifax, N.S.,
vember 29th, 1932.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 52

DIVIDEND of one and one-half per cent
(1½%) on the PREFERRED STOCK o
UTHERN CANADA POWER COMPANY
MITED has been declared for the quarte
ding December 31st, 1932, payable January
th, 1933, to shareholders of record at the close
business on December 20th, 1932.
By order of the Board,
L. C. HASKELL,
Secretary
ontreal, November 25th, 1932.

Dividend Notice

The British American Oil Company Limited

NOTICE is hereby given that the regul
ividend of Twenty Cents (20c) per sha
s been declared on the issued NO PAR
alue capital stock of the Company for
e fourth quarter ending December 31st,
932. The above dividend is payable, in
anadian funds, January 3rd, 1933, to
hareholders of record at the close of busi-
ess on the 17th day of December, 1932.
ransfer Books will be closed from the 19th
the 31st of December, both days inclusive.
Share Warrant Holders will present
oupons Serial No. 11 to The Royal Bank
Canada, Toronto, Canada, on or after
anuary 3rd, 1933.
By Order of the Board.
P. W. BINNS,
Secretary.
Dated at Toronto, Dec. 1st, 1932.

DIVIDEND No. 21

RAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons, Limited
Gooderham & Worts, Limited
Distillers & Bottlers in Bond

NOTICE is hereby given that quar-
terly dividend (No. 21) of twenty-
ive (25c) cents a share has been
eclared on the outstanding no par
alue Cumulative Dividend Redeem-
ble Preference Capital Stock of this
Company.
This dividend is payable December
5, 1932, to shareholders of record at
lose of business November 26.
By order of the Board,
FLETCHER RUARK,
Secretary and Treasure
Walkerville, Can., November 18th, 1932.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" Preferred

A quarterly dividend at the rate of 7%
per annum on the Class "A" Preferred
Stock of this Corporation for the quarter
ending December 31st, 1932, has been de-
clared; payable January 3rd, 1933, to share-
holders on record at the close of business
on December 15th, 1932.

"B" Preferred

A quarterly dividend at the rate of 6%
per annum on the Class "B" Preferred
Stock of this Corporation for the quarter
ending December 31st, 1932, has been
declared; payable January 3rd, 1933, to
shareholders on record at the close of busi-
ness on December 15th, 1932.

Common and Ordinary Shares

The Board of Directors has declared a
quarterly dividend of .25c. per share on the
Common and Ordinary stock of this Cor-
poration for the quarter ending December
31st, 1932, payable January 3rd, 1933, to
shareholders on record at the close of busi-
ness on December 15th, 1932.

Share Warrants

Share Warrant holders will present cou-
pons, serial number 22, to the Canadian
Bank of Commerce, London, Ontario, and
Branches in Ontario and Quebec, on and
after January 3rd, 1933, where payment
will be made at par.
By Order of the Board.
JAMES D. GOOD,
Secretary-Treasurer.
London, Ontario, December 5th, 1932.

New Brunswick Plans Exhibit

Hon. Lewis Smith, New Brunswick Minister of Agriculture, announces that New Brunswick wheat and oats will be displayed at the World's Grain Exhibition and Conference at Regina July 24 to August 5 next. The exhibits are now being prepared by the department.

NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 12th day of January, 1933, at 11 o'clock a.m.

M. W. WILSON,
General Manager.

Montreal, December 1, 1932.

Canadian Car & Foundry Company, Limited

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of CANADIAN CAR & FOUNDRY COMPANY, LIMITED, will be held at the Head Office of the Company, No. 621 Craig Street West, Montreal, on Thursday the 22nd day of December, 1932, at twelve o'clock noon, to receive and consider the Annual Statement of the business and affairs of the Company, for the election of Directors, and for the transaction of such other business as may properly come before the Meeting; and further notice is hereby given that upon the conclusion of the regular business aforesaid, the said general meeting will be made special for the purpose of considering and, if deemed advisable, sanctioning an amendment by the Directors to By-Law No. 8 of the Company to fix the number of Directors of the Company at 9, and the re-enactment by the Directors of said By-Law as so amended.

By order of the Board,
A. C. Bourne,
Secretary.
Montreal, Dec. 1st, 1932.

DIVIDEND NOTICES

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the eighty-sixth quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending November 30th, 1932, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of December, 1932, and cheques will be mailed December 31st, 1932.

Books not closed.

By order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.
Montreal, Que.,
November 24th, 1932.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 20

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, being at the rate of 6 per cent. per annum, has been declared on the 6 Per Cent. Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending December 31, 1932, payable January 14, 1933, to Shareholders of record at the close of business on December 31, 1932.

By Order of the Board,
FRED HUNT,
Secretary.
November 29, 1932.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 32

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTERN POWER CORPORATION LIMITED for the quarter ending December 31st, 1932, payable January 16th, 1933, to shareholders of record at the close of business on December 31st, 1932.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, November 22nd, 1932.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1932.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December, 1932.

The above Dividends are payable on Monday, the 2nd day of January, 1933, to Shareholders of record at the close of business Thursday, the 15th day of December, 1932.

By Order of the Board.
MERVYN OFFER,
Secretary.
Montreal, 22nd November, 1932.

OTTAWA FIRM IN REFUSALS OF INFLATION

Present Administration Will Stand By Sound Money Policy

NATIONAL INTEREST

Government Fears Any Other Policy Would Lead to National Bankruptcy

From Our Own Correspondent

OTTAWA. — With the country showing every indication of becoming woolly-minded on the subject of inflation, a careful check-up in ministerial circles at Ottawa shows conclusively that the present administration has no intention of yielding to the rising tide of popular demand. Ottawa is resolutely opposed to inflation.

For this reason the speech made at London, Ont., on December 1, by Hon. E. N. Rhodes, Minister of Finance, is the most important declaration of government policy made in recent months.

Many Favor Inflation

In the past few weeks The Financial Post has been giving national publicity to various views as to the future policy which should be followed with respect to the dollar. Down in the Maritime provinces, farmers are holding mass meetings and adopting resolutions calling upon Ottawa to inflate and, in this way, attempt to bring them prosperity. In the West the heather is afire with inflationist propaganda.

Only the other day the staid United Farmers of Ontario voted, whole-souled, for inflation. The country is alive with inflationist theories, with inflationist theorists. Fortunately for the government, perhaps, no one has yet appeared to whip the movement into cohesion with such phrases as Bryan's "cross of gold."

National Interest at Heart

The Federal government is adamantly opposed to the policy not because "sound" money means an advantage to manufacturers, to capitalists, to the creditors—but because, in the view of the government, inflation cannot help, must surely injure the country as a whole.

By inflation is meant the creation, by artificial means of a supply of money in excess of the movement of goods. There are many ways in which inflation might be brought about. One of the more recent suggestions from the Progressive group is that the government print Dominion notes, go into the market and buy government bonds.

The recent $35,000,000 transaction with the banks might be termed inflation. The government does not consider it as such, though one of the ministers is said to have referred to it as a little "flutter" in inflation. Actually, the $35,000,000 has not yet got past the banks, and it begins to look as if the currency might be brought back to Ottawa and the government's treasury notes redeemed.

The government is opposed to inflation for the reason that never in the history of the world has the policy assisted those who practised it. On the contrary, inflation invariably has been attended by disastrous results. An example which readily occurs to mind is the French experience with assignats during the Revolution. Another, of more recent date, is the German experience with the mark.

Mr. Rhodes stated that if the government were to inflate to the extent of forcing the dollar down to the level of the British pound—say to 50 cents—the result would be to increase the interest charges on our debt owing in the United States by $150,000,000. This figure represents all debt, as nearly as the government can figure it.

Dollar Might Be Valueless

Unfortunately, however, there would be no assurance that by the time the Canadian dollar reached this level the British pound would remain at its present value. It is quite possible that the pound would have gone lower, that other foreign currencies would have gone likewise. The result would be a further need of inflation. The dollar would be plunged lower again. Repeat this process a few times and the inevitable result would be that Canadian currency would be virtually valueless. It would be of no use to either farmer or manufacturer.

In the view of the government, the very basis of the inflationist agitation is a confidence in the value of the dollar. Farmers, and others, who urge inflation cannot imagine a dollar that is not "sound" money. Yet if their wishes were met the result almost certainly would be that confidence in our currency would vanish with its "soundness."

A farmer might easily get a thousand dollars a bushel for his wheat, but he might be in the position of the German, during the time the mark was on the toboggan slide, and have to pay 40,000 dollars for a necktie. There is the other case of the American who bought a 10 cent cigar in Berlin in 1923 and received in change for his gold mark (24 cents) 500,000,000 marks of the inflated currency.

Deflation of Burdens

The government is thoroughly seized of the present plight of agriculture and other primary industries. The weight of debt has increased, capital obligations have been doubled and trebled. The safes remedy, it is felt, is a deflation of these burdens, rather than an inflation of currency.

This is not to say that if the dollar tends to fall in the immediate future, the government will exert great effort to prevent the decline. The tendency would be to maintain existing protective measures but, apart therefrom, to let the dollar find its own level. But as for embarking upon a policy of hammering the dollar down, of shoving out fiat money, a policy of deliberate inflation—the present government would regard such a course with abhorrence.

Rhodes Opposes Inflation

Stability of the Canadian dollar by a sound, non-inflationary monetary policy, and a balanced budget are the best financial courses for Canada to follow, according to Hon. E. N. Rhodes, minister of finance, speaking to the Ontario Commercial Travellers' Association in London last week.

Mr. Rhodes indicated that it was the intention of the government to live within its income despite the fact that spending governments were popular with some sections of the electorate. He pointed out that expenditures of the government must ultimately come from the purses of the people themselves, and that every dollar saved in government costs was released to do its legitimate work of financing business and industry.

As evidence of this intention of the government, Mr. Rhodes stated that controllable expenses of the country had been reduced by 32 per cent. from $208,600,000 to $143,000,000 in the last two years. This, he thought, was a most creditable effort as controllable items amount to 38 per cent of the total expenses of the government.

The minister pointed out that per capita cost of government was now $92 per annum, whereas in 1913 it was only $38. He cited this as evidence of the need for the government to follow the path of economy.

Foreign Exchange Policy

In connection with the proposal to link the Canadian dollar with the pound sterling on the foreign exchange markets, Mr. Rhodes said:

"The prospects suggested by bringing the dollar down to the pound are so alluring and the idea has found favor to such an extent that there are those who would link our dollar with the pound sterling. Assuming such a course were practicable, are we prepared to yield up our fiscal autonomy and to surrender control at a time when financial stability is pre-eminently essential to world recovery?

"We must view the picture in the light of its general effect. If our dollar were today on a parity with the pound sterling, and there are many who advocate this, it would involve a premium on New York funds of about 50 per cent. If it were to remain at that figure for the next 12 months to honor our obligations in New York during that period would require an additional payment estimated at $150,000,000 in Canadian funds.

"Can the taxpayer, municipal, provincial or Dominion, or all three combined, or the shareholder in corporations with obligations to meet in New York, stand the additional strain? I doubt it."

Speaking of the unsoundness of an inflationary money policy, he stated:

"There are one or two conclusions which stand out in bold relief. History discloses that once inflation is deliberately embarked upon it is difficult if not impossible to control, and tested in the crucible of time has brought suffering if not disaster in its wake. Furthermore, every country which has experienced the effects of inflation has without exception endeavored as speedily as possible to return to the basis of sound money. Also, assuming inflation could be controlled, our only object in inflation would be to secure a preferred position in outside markets. The whole programme involves a 'beggar my neighbor' policy, which can be followed in time by each other country, and is destined to bring about a competitive race in currency and exchange depreciation on the part of all countries. A competitive race would almost certainly follow the deliberate effort of any important country to secure exchange advantage.

"In my judgment, the solution of this problem is not to be found in the departure from the principles of sound money."

Exchange International

Leading economists and financiers throughout the world are in agreement that foreign exchange is international in character and that the remedy for currency problems is only to be found in international action, the minister stated.

"I do not wish to be understood to mean that individual countries should not make every effort to set their own financial houses in order, but I do contend that fundamentally a permanent solution can only be found by co-operative action on the part of the leading countries of the world. It is therefore to be hoped that a solution of this problem may result from the deliberations of the world conference which is to be held in the near future."

Sir Thomas White, in a recent statement, condemns the policy of depreciating the Canadian dollar to the level of sterling or even lower, which has been suggested in some quarters.

Sir Thomas points out that Canada is a debtor country with large obligations abroad, particularly in United States currency, and that any depreciation of Canadian currency through inflation would place heavy exchange burdens on this country. He indicates doubt as to whether a policy placing the dollar on a par with sterling would raise prices of agricultural products materially, and states that the ultimate burden resulting from an inflationary policy would fall on the people.

In stating his views, Sir Thomas has also indicated that any tampering with Canadian money by inflation would weaken our credit abroad. This, he points out, would be most serious, as we shall need foreign loans for many years in the future to meet obligations maturing outside Canada and to finance the development of this country.

NOTICES

WANTED—

The Best Sales Manager in the Textile Industry

The man must be able to pick first-class salesmen and manage them as well as to produce himself. The salary measures up to the man. Give full particulars in your application. Communications strictly confidential. Our staff knows about this. Vacancies also for six crackerjack salaried (not commission) salesmen. Apply "Action." Box 103, The Financial Post, Toronto.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors and for other business will be held at its banking house, No. 25 King Street, West, Toronto, on Tuesday, the 10th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 18th November, 1932.

National Brick Co. Stock Exchange Limited

From Our Own Correspondent

MONTREAL.—Shareholders of National Brick Co., of Laprairie Ltd., have been notified by the secretary that the company will not accept any further certificates for exchange after December 31, 1932. The letters reads, in part, as follows:

"On August 20, 1932, we addressed a letter to you advising you that we were prepared at any time and from time to time up to and including the 1st day of October, 1932, upon delivery to us of stock certificates for the new preferred and common shares of the National Brick Company, of Laprairie, to allot and issue to the persons delivering such certificates, without cost, in exchange for the shares represented thereby, fully paid and non-assessable common shares of this company on the basis set forth in the said letter.

"We beg to advise you that shareholders desiring to avail themselves of the offer of exchange must present their certificates at the office of Chartered Trust and Executor Company, Montreal, this company's transfer agent, on or before December 31, 1932, after which date this company will not accept any further certificates for exchange."

Can. Northern Power Dividends Maintained

From Our Own Correspondent

MONTREAL — Stock of Canada Northern Power Corp. was inadvertently omitted from a table, published in the last issue of The Financial Post, containing a list of shares which had maintained their dividends during 1932. Dividends at the rate of 80 cents a share per annum have been paid on the stock since April, 1931.

Distillers-Seagrams Corp. Profits Held Well Despite Adverse Conditions

MR. SAMUEL BRONFMAN
Vice-President and General Manager, who presided at recent annual meeting.

Net earnings are $1,010,038.34 being 67 1/3 cents per share. Price cutting in export market continues. Dominant position in that market maintained. Liabilities $1,500,000 down, working capital up $600,000; surplus increased $477,000.

Extracts from the Address of Mr. Samuel Bronfman, vice-president, at the Annual Meeting

Notwithstanding the poor condition of business generally, which affected our Industry along with practically all other classes of business, and despite the regrettable price cutting that existed during the year, it is very gratifying to your Directors to be able to submit to you what can be considered a very satisfactory report of the operations of your Company for the past fiscal year. Our earnings, taking into consideration the prevailing adverse conditions, were well maintained after providing for full depreciation and substantial interest charges. I feel that we have reason for gratification that during a year of unprecedented difficulty your Company is able to show a substantial profit.

In my remarks last year I drew attention to the unfortunate price cutting that existed in the Export market which had forced your Company also to reduce selling prices in this very important Market. I regret to have to report that the price war has continued throughout the year and still continues in unabated and even aggravated form. You will, I am sure, be pleased to hear that the demand for your Company's products continues at the highest level and your Company has been able to maintain and even improve its predominant position in that market and there is the further significant fact that our Brands whilst commanding the highest prices in the Market have been able to secure by far the major portion of the business available. It is to be greatly regretted, however, that the opportunity for enhanced profits on the part of all units in the industry should be lost by ruthless cutting of prices.

You are no doubt aware that following the recent Ottawa Conference, the Excise Duty on domestic liquors was reduced, thereby enabling the Provincial Liquor Commissions to considerably reduce their retail prices. It is hoped the reductions will be of benefit to the Industry generally and be a factor in encouraging the sale of spiritous beverages through legitimate channels.

High duties act as an incentive to and are unquestionably responsible for extensive smuggling of alcohol which is concocted and sold in bottled form under the labels of genuine brands without the payment of lawful duties to the Dominion Government and with resultant loss to the Provincial Governments, who thereby lose the opportunity of sales through their legal channels. I desire to take this opportunity of warning the public against the purchase of spiritous liquors other than through Government controlled Stores.

No doubt you will expect me to comment on the possibility of changes in the Prohibition laws of the United States following the results of the recent elections. All that I can say is that the situation has not sufficiently advanced and taken on definite and concrete form to enable me to express an opinion as to the effect any such changes are likely to have on the affairs of your Company. Your Directors, naturally are giving the matter their closest attention.

Our Inventories of Spirits on hand appear in our Balance Sheet at practically the same figure as last year, the gallonage being about the same and the value per proof gallon slightly less. They consist of well balanced stocks of matured and maturing Whiskies to meet the requirements of the markets that are or likely to be open to us.

You will note the reference in our President's report to the reduction during the year in our liabilities of $1,500,000 which includes the balance of $670,000 in respect of the Whisky Purchase Contract assumed on behalf of the Seagram Company at the formation of your Company. The payment of this latter item and other interest bearing liabilities will result in a saving in interest charges of approximately $60,000 per annum. In addition to the reduction referred to I would also call your attention to the fact that the Contingent liability of $536,391 appearing in our last year's Balance Sheet in connection with the purchase of the Sarnia, National and Lindsay Distilleries has now been discharged. To effect such a large reduction in liabilities during such a difficult year is an accomplishment which presented no small task and the success which attended our efforts is a matter over which I feel we may be justly gratified.

You will note our Current Working Assets totalled over $11,000,000 as against trade liabilities of only $445,000 odd. I would also point out our current assets after deducting all liabilities are $600,000 greater than last year after providing for the payment during the year of a dividend of $375,000.

It is therefore apparent the strong financial position of your Company has been further strengthened during the year, which is very encouraging at a time when the reverse has been the case with so many important industrial concerns who have been forced to encroach upon their resources.

Distillers Corporation - Seagrams Limited and Subsidiary Companies

Incorporated under the Dominion Companies Act

OFFICERS

President: William H. Ross, O.B.E., Edinburgh, Scotland
Chairman Board of Directors: Distillers Company Limited, Edinburgh, Scotland
Vice-President: Samuel Bronfman, Montreal

Directors:

W. H. Ross, O.B.E., Edinburgh, Scotland; Samuel Bronfman, Montreal; Allan Bronfman, Montreal; William B. Cleland, Hamilton, Ont.
Allan Bronfman, *Secretary;* H. F. Glass, *Comptroller*

Consolidated Balance Sheet, July 31, 1932

ASSETS		
Fixed Assets:		
Plant, Equipment, Goodwill, Trade Marks and Blends		$14,893,917.75
Current and Working Assets:		
Whiskey and Spirits at Cost, Raw Materials, Barrels, Kegs and Supplies at cost of purchase	$9,949,040.20	
Accounts Receivable	855,755.21	
Investments	65,085.89	
Cash on Hand and in Banks	112,150.60	
Prepaid Insurance and Other Deferred Amounts	43,025.71	
		11,025,057.61
		$25,918,975.36

LIABILITIES		
Capital Stock:		
Authorized ... 2,000,000 shares without Nominal or Par Value.		
Issued .... 1,500,006 shares without Nominal or Par Value, at a stated value of $10.00 per share		$15,000,060.00
Accounts Payable and Accrued Liabilities		445,274.42
Special Loans		4,064,193.43
Reserves:		
For Depreciation	$1,088,301.51	
For Contingencies	92,993.07	
		1,181,294.58
Profit and Loss Account, as per statement attached	5,603,154.43	
Less: Dividend 18 1/3 cents per share	275,001.50	
		5,328,152.93
		$25,918,975.36

Combined Profit and Loss Account, July 31, 1932

Interest on Special Loans and Advances	$ 310,399.95
Depreciation	209,024.74
Balance as per Balance Sheet	5,603,154.43
	$6,122,579.12

Balance as at July 31, 1931, after deduction of provision for Income Tax to that date	$4,593,116.09
Profits for the year ending July 31, 1932, before providing for Income Tax	1,529,463.03
	$6,122,579.12

Approved on Behalf of the Board:
WILLIAM H. ROSS, President.
S. BRONFMAN, Vice-President.

Position of Chartered Banks of Canada as of October 31, 1932, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% Last dividend	Loans to Directors and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	34,102,970	22,901,869	....	13,221,320	133,087,084	394,750,195	71,794,144	2,803,635	1,305,378	8,969,035	180,186	8,343,722	1,545,776	912,098	38,000,000	36,000,000	767,917,416	50,000,000	36,000,000	10	3,367,727	19,784,315	57,796,363	36,399,3
Nova Scotia	11,495,812	1,751,437	....	4,260,758	33,209,431	129,434,059	33,578,640	1,754,129	62,436	1,635,892	120,945	4,900,753	117,845	15,393	24,000,000	12,000,000	258,337,334	15,000,000	12,000,000	14	2,736,453	9,742,718	3,788,080	12,182,3
Toronto	6,187,944	483,063	1,000,000	952,869	20,788,475	59,891,639		807,132	67,691	1,009,830	517,275	733,654	136,115	2,145	9,000,000	6,000,000	107,577,836	10,000,000	6,000,000	10	1,142,320	360,308	3,621,700	6,640,5
Provinciale	3,653,954	230,784	500,000	46,440	4,134,577	31,647,466		648		22,765	....	17,170	18,987	5,390	1,500,000	4,000,000	45,778,186	5,000,000	4,000,000	8	697,366	244,911	437,627	3,776,1
Commerce	24,111,830	624,044	8,000,000	4,304,723	111,406,599	282,525,044	43,913,330	1,825,948	686,206	9,518,225	47,953	12,270,545	....	11,719	30,000,000	30,000,000	559,246,171	50,000,000	30,000,000	10	6,513,059	10,399,000	12,190,000	26,567,1
Royal	30,321,018	14,967,613	7,000,000	11,526,100	124,647,725	259,640,640	172,410,471	726,229	148,622	21,490,090	354,001	18,733,417	55,418	25,572	35,000,000	35,000,000	732,046,922	50,000,000	35,000,000	10	3,258,940	12,426,237	12,710,077	32,098,4
Dominion	5,986,630	720,083	4,000,000	491,355	24,309,027	61,186,249	1,389,870	465,123	320,876	986,780	....	1,088,996	254,607	3,473	9,000,000	7,000,000	117,303,075	10,000,000	7,000,000	10	1,469,648	624,000	1,874,000	6,571,0
Nationale	8,881,314	717,830	7,000,000	1,539,924	18,445,308	79,615,350	1,424,106	557,307	14,442	209,398	....	692,610		4,855	7,000,000	7,000,000	133,102,449	10,000,000	7,000,000	10	479,360	999,682	1,397,559	9,103,4
Imperial	8,021,343	2,144,912	....	4,205,586	22,252,040	71,109,992		2,205,653	199,369	1,447,530	....	484,705		176,787	8,000,000	7,000,000	127,247,922	10,000,000	7,000,000	10	447,981	484,990	3,871,760	8,780,3
Barclays (Canada)	264,380	216,163	....	150,000	1,004,575	752,904	....	146,286	1,734,884	1,233,830	....	10,232		....	500,000	500,000	6,513,258	500,000	500,000			11,377	109,783	276,3
Total	133,027,195	44,757,798	27,500,000	40,699,075	493,284,841	1,370,553,538	324,510,561	11,292,090	4,539,904	46,523,375	1,220,360	47,275,804	2,128,548	1,157,432	162,000,000	144,500,000	2,854,970,569	210,500,000	144,500,000	......	20,112,854	55,047,333	102,806,969	141,306,0

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	19,618,676	59,062,220	3,204,664	295,285	27,183,029		5,421,116	26,406,734	206,043,909	53,364,783	7,939,259	5,157,690	20,071,135	240,015,095	17,879,400	12,106,542	28,689,492	4,340,738	443,207	1,278,564	14,500,000	8,343,722	1,542,872	6,000,000	289,289	118,976	789,166,2
Nova Scotia	9,667,852	6,669,689	1,074,201	1,460,389	7,136,263	....	655,324	5,495,305	42,006,716	19,503,686	8,018,904	15,080,922	2,670,145	98,547,746	13,082,651	309,204	9,948,107	907,282	....	110,574	8,026,707	4,900,753	564,672	750,000	2,788,971	114,234	250,486,5
Toronto	392,719	5,280,623	608,220	23,669	6,694,505		798,875	1,159,299	25,366,478	7,703,288	1,389,790	4,901,432		43,596,971			4,874,191	328,816	....	63,147	3,830,294	733,654	306,603	630,866			108,663,6
Provinciale	249,602	395,132	558,250	26,643	1,415,069	1,267,035	9,612	77,374	8,259,017	4,505,015	3,505,544	4,926,144		16,191,415			1,319,947	141,584	602,236	384,739	2,195,307	17,170	199,611				46,435,0
Commerce†	10,424,737	17,769,057	2,289,565	733,671	15,599,264	11,797	462,768	17,668,091	94,347,076	31,759,769	13,995,150	33,183,879	28,795,770	191,680,262	15,661,727	9,231,931	32,090,500	2,743,419	2,690,192	2,624,579	15,222,500	12,270,545	1,250,000	8,000,000	4,007,166	182,541	564,948,6
Royal‡	12,573,120	20,653,099	3,032,912	15,610,369	24,863,195	2,265	1,954,116	46,054,488	76,357,634	26,108,108	10,707,322	32,422,186	35,212,232	254,496,540	111,614,022	1,370,752	11,703,998	4,019,213	2,443,268	855,325	17,814,325	18,733,417	1,600,000	2,500,000	6,004,699	324,169	739,192,8
Dominion	632,986	3,468,156	909,710	37,026	4,145,693		102,667	1,458,647	21,514,046	5,248,320	2,770,612	9,374,071	778,388	56,783,195	687,338		1,523,052	483,042	72,682	25,500	6,030,707	1,088,996	322,425	400,000		486,290	117,975,9
Nationale§	1,013,841	1,264,462	909,820	54,406	6,543,126	356,023	36,962	793,017	21,509,308	5,606,800	3,234,337	6,737,021	....	57,478,015	114,775	8,157,996	9,873,761	327,745	1,200,485	735,468	5,966,729	692,610	386,773	2,000,000		130,736	135,052,7
Imperial	445,560	7,918,051	535,460	15,630	5,280,407	662,923	2,007,531	1,269,441	19,675,338	5,704,437	169,591	5,385,727	....	57,467,654	....	3,075,762	9,190,393	220,953	158,135	471,464	6,000,000	484,705	430,504	1,100,866		79,347	127,792,0
Barclays (Canada)	11,633	27,670	15,585	919	400,000	1,572,144	2,057,988	216,318	469,189	120,236	30,850	40,650	....	1,490,066	....			43,129				10,232	14,365			113,125	6,520,9
Total	55,030,726	122,508,159	13,138,387	18,258,007	99,269,551	3,872,188	13,506,959	100,598,714	515,536,611	159,630,442	51,761,359	117,209,722	87,527,570	1,017,746,959	159,039,913	34,252,187	109,213,441	13,455,921	7,610,206	6,549,360	79,586,569	47,275,804	6,597,825	21,381,732	13,040,086	1,559,268	2,875,155,7

*Of this deposit $11,081,732 is in gold coin; the balance is in Dominion notes.
*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.
†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.
‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.
§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Brazilian Can Advance Only as Brazil Does

Shows Good Earnings in Milreis But Cannot Remit Cash for Dividends — Has Great Stake in World Prosperity

Brazilian Traction Light & Power Co. common stock is included in this series of stock analyses because it has been a market leader for many years in Canada and not because there is any impending improvement in its present situation from the standpoint of investors. Time and again the company's strong financial position, its attractive possibilities in Brazil under normal conditions, its record of earnings and of dividend payments have been analyzed for the benefit of readers of The Financial Post. This information has been supplemented as well by discussions of the position of Brazil, the revolution and the rebellion which have occurred within the last two years, the sharp and serious drop in the exchange value of the milreis, the effect on the Brazilian situation of the great surplus of coffee which has led buyers of the world to offer only non-profitable prices and the various measures taken by the Brazilian Government and people to improve matters.

Speculate in Brazil

Canadians have found that an investment in Brazilian common stock has turned out to be a speculation in the future of Brazil as well. They are therefore anxious to see Brazilian Governments and municipalities resuming payments in interest and principal on foreign debt and above all to see favorable balances of trade large enough to permit such payments abroad. When Brazil becomes prosperous and the Bank of Brazil allows Brazilian and other companies to send dividends abroad to shareholders then the shareholders of the company may feel that the era of stock dividends is at an end and that they can once again look for cash dividends.

No one can predict the course of exchange values of any national currency—dollars, pounds, milreis, yen, marks, francs, liras. They will all react to the confined influence of monetary policies within a country and the exigencies of international trade and finance. All that seems now apparent is that the milreis buys just about as much in Brazil as ever but is worth about 50 or 60 per cent of the old value in 1929 outside of Brazil. Favorable trade balances have been managed by drastic limitation of imports; government budgets have been balanced; and a strong hand has been at the helm. The country remains disturbed, however, many of the people discontented and until the situation warrants another election to determine who shall govern the country disorders are always possible.

Conserving Cash

Brazilian's current assets have been improving and the liquid strength will probably be shown to be improved during 1932 because its cash outgo from Brazil has been backed up by the policy against export of capital. It would take twice as many milreis to pay a Canadian dividend in cash as a few years ago and therefore the company has been paying stock dividends mostly in the last few years.

Brazil is Self-sufficient

Brazil has proved itself self-sufficient to an amazing degree and the disasters of recent years have not affected its internal situation as much as outsiders might think. A new country which has yet to develop its great natural resources must depend to a large extent on foreign borrowings. Loans have been shut off in recent years and it is possible that if this had not been so the exchange difficulties would not have occurred. Too great pessimism as to Brazil would be a great mistake. Granted an improvement in world conditions generally, it has an excellent chance. Here might be quoted the words of Sir Otto Niemeyer when he made a report for the Brazilian Government as to the situation and the remedies. His report naturally concerned itself mostly with the sickness and the cure but it also contained these words:

> "Brazil is not alone in facing financial difficulties at the present moment; in many respects her difficulties are less than those of other countries, and she may justly challenge comparison. It is impossible to travel even for a few weeks in the central provinces of Rio, Sao Paulo and Minas without being impressed by her great natural fertility and her undeveloped resources. No country would better repay sound financial administration or is more worth every attempt to keep even in difficult times to high financial tradition; and no country is likely to profit more by the effort, if successfully made."

Resources Are Great

The country has extensive iron deposits still to develop, splendid possibilities for ranching, fruit and the present tendency hastened by low price of coffee, is to diversify more. In Brazil there are ample supplies of food, clothing and of shelter and therefore actual distress can only exist for a short period when there are delays in employing surplus labor in agriculture and home industries. Whatever its value for exchange purposes, Brazilian money has a definite value in the country itself, and therefore does not worry the majority of the population. Invisible imports and exports which play so large a part in other countries have little effect in Brazil where foreign trade reduces itself in the present emergency to the finding of enough exports to pay for imports. Naturally, therefore, orders for imports are reduced to a minimum owing to the effect of the low exchange, lack of purchasing capacity and high duties

Declining Earnings

There remains to be considered how the company is doing under present conditions. Supposing the exchange should not go up again to 11 cents to the milreis, what about it? The investor is helped by the fact that, though earnings are made in milreis, reports made each month of gross and net operating revenue are shown at the average rates of exchange between milreis and dollars. Naturally therefore in recent months it has been a record of continuous decline because of the lower value of the milreis and possibly a much smaller part of the decline is due to business and political conditions in Brazil. The following record month by month for four years, shows that since July, 1930, there have been declines without exception both in gross and net:

	Gross	Net	N. Inc.
1932	$	$	$
October	2,246,226	1,258,351	*353,493
September	2,241,861	1,276,684	*398,213
August	2,330,367	1,305,989	*409,397
July	2,695,141	1,616,091	*266,971
June	2,719,797	1,648,486	*381,740
May	2,752,404	1,649,573	*117,366
April	2,581,033	1,517,164	*312,635
March	2,543,222	1,419,590	*420,189
February	2,420,300	1,346,032	*481,617
January	2,407,002	1,344,801	*672,118
1931—			
December	2,422,182	1,348,871	*757,361
November	2,408,855	1,370,046	*705,088
October	2,680,717	1,611,844	*587,921
September	2,724,941	1,669,897	*711,413
August	2,817,714	1,715,386	*599,453
July	3,075,485	1,883,062	*568,232
June	3,250,203	2,030,226	*441,013
May	2,905,713	1,766,939	*750,583
April	3,004,444	1,829,799	*544,534
March	3,102,183	1,839,779	*451,906
February	3,104,495	1,827,649	*339,487
January	3,399,835	2,016,919	*182,200
1930—			
December	3,585,067	2,106,332	*135,063
November	3,532,353	2,075,134	*275,514
October	3,714,677	2,199,765	*191,685
September	3,906,162	2,381,310	*40,745
August	3,792,808	2,314,839	*132,185
July	4,081,018	2,451,294	11,189
June	4,146,884	2,471,239	43,947
May	4,304,160	2,517,502	102,315
April	4,127,492	2,374,333	40,981
March	4,047,036	2,291,685	81,530
February	3,798,698	2,167,136	12,792
January	3,862,089	2,199,125	*20,930
1929—			
December	3,984,311	2,241,295	133,026
November	4,145,850	2,350,648	174,672
October	4,289,258	2,391,450	244,013
September	4,225,416	2,422,055	211,700
August	4,333,460	2,447,024	249,520
July	4,335,895	2,440,105	306,255
June	4,210,893	2,427,292	308,430
May	4,206,895	2,415,187	315,449
April	4,042,145	2,333,352	340,706
March	3,928,550	2,210,155	276,275
February	3,755,709	2,154,344	326,101
January	3,892,833	2,220,055	297,485

*—Net decrease.

Stock Has Steep Fall

The stock this year had a high of 14¾ and a low of 7¾. This compares with old market valuations as follows:

	High	Low
1928	78	50
1929	78	30
1930	53¼	19¾
1931	28½	7⅞
1932	14¾	7¾

Dividends Uncertain

There was a previous hiatus in dividend payments due to the exchange dislocation of the war and post-war periods from 1917 to 1922. Since then dividends have never been absolutely abandoned. In 1929 the company paid $2 a share, in 1930 $1.50 a share with 3 per cent in stock dividends, in 1931 50 cents a share plus 4 per cent in stock dividends and in 1932 4 per cent in stock dividends while the dividend due December 1 was deferred. The last payment was on September 1, 1932. It is apparent that, no matter how the company's earnings may improve, payment on any particular date must remain uncertain because it is outside of the power of directors to bring money to Canada against the wishes of the Government of Brazil.

To conclude, total tangible assets exceed $334,000,000 of which current assets make up 23,300,000. Funded debt is less than $60,000,000, current liabilities $7,677,000 and reserves are $131,000,000. Working capital was $15,630,296 at the end of 1931. The company through subsidiaries does a street railway, telephone, gas, electric light and power business in cities of Rio Janeiro, Sao Paulo, Santos and adjacent territory. It has built huge power projects in the last ten years and is ready to go ahead with Brazil when the way opens up for the latter country again.

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General Steel Wares

What is the position of General Steel Wares Ltd.?

While interest was paid on the bonds of General Steel Wares on November 1 it would appear doubtful whether or not payments can be continued unless there is a decided improvement in general business conditions. Very substantial economies in operations have been effected during the last year which should aid the earnings position of the company considerably when demand for its products improves. The whole situation would appear to depend on when this demand will improve since the resources of the company do not appear to be sufficient to enable the payment of fixed charges on the present level of business. Possibility of resumption of preferred dividends during the next few years does not appear to be in sight.

B. A. Oil

Does it seem likely that the British American Oil Co. will maintain the present rate of dividend on common stock?

Recent statement by officers of B. A. Oil would indicate that the company is earning its common dividend. The company has substantial bank loans and so long as these are outstanding there is always a possibility that pressure might be brought to bear either to reduce or pass the common dividend. Shareholders have agreed to an issue of debentures which would refund the bank loan and presumably get away from any influence the bank might have on the common dividend rate. Those debentures will not be offered until market conditions give a prospect of quick sale.

Bay-Adelaide Garage

One of our clients holds a bond of the Bay-Adelaide Garage, the interest on which is not being paid. We should be glad if you would let us know something about the present condition of this company and whether or not prospects would indicate that the bond should be sold or held in the expectation of better times.

We are informed that earnings of the Bay-Adelaide Garage Ltd. are sufficient to meet operation expenses with but a small amount available for bond interest. The company had allowed its taxes to get in arrears and in view of the low earnings during the current year, it was felt that it was in the interests of the bondholders that these arrears should be paid up. Earnings of the company have been seriously affected by business conditions prevailing in the last three years, although during the first two years of operation the company is stated to have shown good earnings. Prospects depende entirely upon improvement in business conditions which will enable car owners to pay the rates charged by the various parking garages in the down town area of Toronto. At the present time, there is a very substantial amount of open parking space available at low rentals and this type of parking has severely hit the parking garages such as Bay-Adelaide. A substantial number of automobile owners are leaving their cars at home and using street cars. While the Bay-Adelaide garage is very centrally located, it may take a considerable period before earnings are again sufficient to cover bond interest requirements.

At the present time, there is very little market for this bond and it is probable that sale could only be effected at a very low price.

Canada Paving

Can you give me any information regarding the progress being made in the liquidation of Canada Paving & Supply Corp.? Is there any possibility of a distribution being made to preferred shareholders in the near future?

We understand that there has been good progress made in liquidating the assets of Canada Paving & Supply Corp. and that it now appears possible that 50 cents on the dollar can be paid to preferred shareholders. There is no indication as to when the first distribution will be made. There are several accounts which are payable before the shareholders can receive anything. Several of the municipalities in the Border Cities group owe the company substantial sums but since these municipalities are in default on their own obligations, it is probable that they will not pay the amounts owing to Canada Paving for some time.

Humberstone Shoe

What is the capitalization and financial position of Humberstone Shoe Co.? I would like a brief outline of this company which would indicate the advisability of an investment in its stock.

Humberstone Shoe Co.'s operations extend back to 1905, although the present company was incorporated in 1926 at which time an issue of preferred stock was made to the public. In 1928 this preferred stock was redeemed and the capitalization of the company at present is 50,000 shares of no par common stock authorized of which 20,000 shares are issued and outstanding. The company specializes in the manufacture of children's shoes and sandals and operations are centred at Humberstone, Ontario. The lines manufactured by the company are in the low or medium priced class and apparently the company has had a ready market for its products in recent years.

Initial dividend on the common stock was paid in 1926 and payments have been made in each succeeding year at the rate of $2 per annum with the exception of 1929 when a bonus of 50c. was paid. The last dividend paid in 1931 and the first dividend paid in 1932 were at the rate of 60 cents per quarter, but in April this year, the company resumed its former quarterly rate of 50 cents per share. Surplus has been increased in each of the past three fiscal years and at July 31, 1932, amounted to $137,444. In recent years the company has maintained a good liquid position and ratio of current assets to current liabilities has exceeded 4 to 1. At July 31, 1932, current assets totalled $445,188 against current liabilities of $100,626. At that date, plant and equipment account after depreciation stood at $43,695 while land and buildings, less depreciation, amounted to $118.740.

Net profit in the year ended July 31, 1932, amounted to $58,646, or $2.93 per share of common. This compared with net profit of $69,954 in 1931, $70,210 in 1930 and $72,950 in 1929. At the end of the last fiscal year, the common shares had an equity of $25.84. The company had a somewhat smaller margin of profit in the last fiscal year, but unit volume of sales was exceeded in only one previous year and dollar volume at slightly over $900,000 was also high. The company has maintained its position in its particular field, where quality combined with low cost is the chief factor and style is more or less immaterial. Due to the comparatively small capitalization the stock is not widely distributed and on that account there is not a broad market although the shares are listed on the Toronto Curb Exchange and quotations are always available.

Weston Biscuit

How many times did the Weston Biscuit Co. earn its preferred dividend in the years 1930 and 1931? What is the present position of this company? In your opinion, is the preferred dividend secure?

You refer to Weston Biscuit Co., preferred. This company is the American subsidiary of George Weston, Ltd. Earnings on the preferred stock of this subsidiary in 1930 and 1931 are not in our records, but we understand that operations in the current year are satisfactory and that the company will show a fair profit in face of the loss experienced in 1931. Earnings on the preferred stock of George Weston Ltd., the parent company, amounted to $21.49 per share in 1930 and $15.35 per share in 1931. Recent reports would indicate that George Weston Ltd. will earn its preferred dividend by a satisfactory margin in the current year.

York Loan & Savings

Some years ago York Savings & Loan Co. failed. Could you tell me how much of a return shareholders got out of the liquidation proceedings?

The York Loan & Savings Co. went into liquidation in 1905 and National Trust Co. of Toronto was appointed liquidator. The company had substantial real estate holdings in the west end of Toronto from which some $1,800,000 was realized over a period of years. The company had some 144,000 shareholders who received 55½ cents on the dollar. A dividend of 25 per cent was paid by the National Trust Company as liquidator on November 1, 1909, the second dividend of 25 per cent was paid on December 1, 1911 and the final dividend of 5½ per cent was paid in 1914.

We have no record as to what became of the officers of the defunct company.

Toronto Harbor Bonds

I would appreciate any information and statistics you can give me on the bonds of the Toronto and Montreal Harbor Commissions. Are these bonds prime security?

The Toronto Harbor Commission has full jurisdiction over Toronto harbor and has federal authority to borrow money and issue debentures for the purpose of reclamation work and general improvement. All capital expenditures are approved by the City of Toronto and all bond issues are unconditionally guaranteed by the city. Debentures issued are secured by mortgage on all newly created harbor properties as well as the security afforded by the city's guarantee. The net debt of the commission was $22,868,000 at the end of 1931 and debt charged paid by the city up to December 31, 1931, totalled $4,114,657. Opening of the Welland Canal in 1931 brought a substantial increase in tonnage handled by the port and there is a substantial acreage of industrial land which is held for sale. Bonds of the commission rank equally with those of Toronto and are given a very high rating in Canada. There is a good market for these bonds.

We presume you refer to the 5 per cent first mortgage gold bonds due November 1, 1969, issued by the Harbor Commissioners of Montreal. There is $19,000,000 of this issue outstanding which is secured by a first mortgage on a bridge across the St. Lawrence River at Montreal and by a charge on the tolls and revenues from this bridge. In addition, the bonds carry the guarantee of the Dominion of Canada as to both principal and interest and as a result the bonds rank with other Dominion guaranteed issues such as the bonds of the Canadian National Railways.

Municipal Statistics

Could you advise me as to where I could find the financial statistics of the various counties and townships in Ontario? I am particularly interested in the statistics for the various towns in Perth County but in the annual reports of these towns I do not find the figure for assessable property.

Probably your best source of information regarding municipal statistics of Ontario would be the annual bulletin issued by the Ontario Municipal Board which gives the figures for all municipalities within the province. The report covering 1931 figures has just been issued and is entitled, "Municipal Statistics 1931." This can be secured from the King's Printer at the Parliament Buildings in Toronto at a nominal cost.

The above report gives separate figures for the 11 townships in the county of Perth as well as separate figures for the Village of Milverton and the towns of Listowell, Mitchell and Saint Marys.

International Hydro

Please give me some information on earnings of International Hydro-Electric System. Is it earning its dividends?

Latest figures available on earnings of International Hydro-Electric System cover the three months ended September 30. In that period net revenue showed an increase at $8,382,409 and after depreciation all interest was earned 1.86 times in the quarter. For the full year of 1931, interest, after depreciation, was earned 2.05 times. As you know the company's revenue is derived from its holdings in Canadian Hydro-Electric Corp.; New England Power Association and International Hydro-Electric Corp. Improving industrial conditions in New England and increasing sales of power for domestic purposes in Canada were reflected in earnings for the third quarter.

For the twelve months ended September 30, 1932, earnings available for dividends on the Class "A" stock were equal to $3.44 a share compared with $2.98 a share in the preceding twelve months. Disbursements on this stock, however, were suspended last July.

Argentine Bonds

An article in The Financial Post of November 12, entitled "Foreign Bonds in Default" showed that issues of the Argentine Republic in default totalled $7,094,500. Are these external or internal bonds? Would you please specify the particular issues?

Argentine dollar bonds now in default total $17,090,000, while figures submitted by the Institute of International Finance to the annual convention of Investment Bankers' Association of America held recently showed only $7,094,500. There have been some defaults since that convention which account for the difference.

Default has been made by two Argentine cities and two provinces. The city of Cordoba with two 7 per cent external issues totalling $5,978,500, defaulted on November 15. The province of Tucuman is in default on one issue of $1,887,500; the province of Santa Fe is in default on one issue of $7,472,000 and the city of Santa Fe is in default on one issue of $1,752,000.

The Institute of International Finance has recently submitted a report on the financial position of Argentine and details of these bonds in default are contained in that survey.

Can. Int. Investment

Would you kindly give me a report and your opinion on Canadian International Investment Trust 5 per cent bonds? Also the bid and asked price of the bonds?

Canadian International Investment Trust has outstanding some $1,875,000 of 5 per cent collateral trust bonds, Series "A" having retired $150,000 principal amount of the bonds during the current year. While revenue of the trust during the current year is under that of 1931, earnings have been more than sufficient to meet bond interest requirements, and during the first six months of the company's fiscal year, $33,725 was added to surplus after deducting operating expenses bond interest and miscellaneous write-offs. This, of course, does not include any provision for depreciation in value of securities held in the trust investment portfolio.

Revenue from investment appears to be sufficient to preclude any immediate possibility of bond interest not being earned, although this would not be impossible if business conditions did not improve and the flood of defaulted bonds that we have had in the last year is continued. If, on the other hand, business does show an improvement in 1933 this would be reflected in an upward movement of security prices that would aid this and many other investment trusts to a considerable degree.

There is no active market for the bonds of Canadian International Investment Trust, but a nominal market of 60 to 70 is quoted by W. C. Pitfield & Co., the sponsors.

G. Tamblyn Ltd.

I am contemplating buying stock of G Tamblyn, Ltd., and would be very much obliged to you for a statement of this company's financial condition.

Mr. Price, of the Canadian Bank of Commerce, of Los Angeles, has recommended that I ask you for this information.

G. Tamblyn Ltd. operates a chain of drug stores located in Toronto and Western Ontario which numbered 54 at the end of the last fiscal year. Operations have been carried on since 1904 although the present company was incorporated in 1928 at which time an issue of preferred stock was sold to the public with a bonus of common. At the present time, there is outstanding some $538,600 of this 7 per cent cumulative sinking fund preference stock of $100 par value and 28,000 shares of no par value common stock. Dividends on the preferred stock have been paid regularly since April, 1928, but there has been no payment on the common stock.

Sales in the fiscal year ended December 31, 1931, reached a peak of $3,872,249 having increased annually from sales of $2,044,982 in 1925. Net profit in 1931 was $182,819 as compared with the peak of $184,312 in 1929 and $80,264 in 1925. Sales in the current year have held up fairly well with the exception of the third quarter while net profit has shown a somewhat greater decline. Sales in the first nine months of the current year totalled $2,806,895. Earnings in 1931 were equivalent to $33.94 per share of preferred stock and $5.08 per share of common after payment of preferred dividends which amounted to $40,649. It would appear that preferred dividends would be covered by a substantial margin in the current year. At December 31, 1931, the company had current assets of $858 550 of which $77,650 was in cash, $9 900 in Dominion of Canada bonds and $761,486 in inventories. Current liabilities totalled $344 844 and ratio of current assets and current liabilities was 2.49 to 1. The company has mortgages of $147,600 which would rank ahead of the preferred stock but has no funded debt.

There is some spasmodic trading in the preferred stock but very few sales of the common stock. Both issues are listed on the Toronto curb exchange.

Range for the year of 1932 on the preferred stock has been from 100½ at which the stock sold in January down to 95. In 1931, the stock sold at a high of 106, and a low of 95. The common stock has had a turnover of only 65 shares in the current year, the last sale being made at 40 in August. Range for the year on the common stock is 42 to 35. In 1931, the stock sold from 49 to 41 and in 1930 from 64 to 41.

Western Steel

I bought some bonds of Western Steel Products some years ago. Can you tell me how the company is getting on since it went into receivership? Will the company be reorganized soon? I have read of many reorganizations in The Financial Post; why is not the same thing done in the case of Western Steel? What are the prospects for the bondholders?

Western Steel Products is in receivership. This step was taken to preserve the company's position since financial difficulties had prevented its meeting its obligations. If a receiver had not been appointed, creditors might have forced the company into bankruptcy and liquidation might have resulted. As it is, the National Trust Company is continuing operations until such time as the company can stand upon its own feet. Then, but not before, a plan for reorganization may be discussed. Other reorganizations of which you have read in The Financial Post have been accomplished without recourse to receivership since financial difficulties were not so pressing. For instance, Donnacona Paper, Canada Power and Paper, Fraser Companies, Asbestos Corporation and National Brick Company are instances where bond interest has been defaulted and reorganizations have been carried out with the approval of bond holders and other security holders. These companies, however, were able to carry on without the protection afforded by a receiver.

Western Steel Products has some useful properties, but its business is at a low ebb, owing largely to the decline in building activity. Too rapid expansion was one of the mistakes made by the former management, which resulted in the downfall of the company. How long it will take the company to come back is impossible to foresee; it is safe to say, however, that progress is being made in strengthening its position and eventually it may be expected that bondholders will be asked to approve a plan of reorganization whereby they will be given some new securities in place of those which they held.

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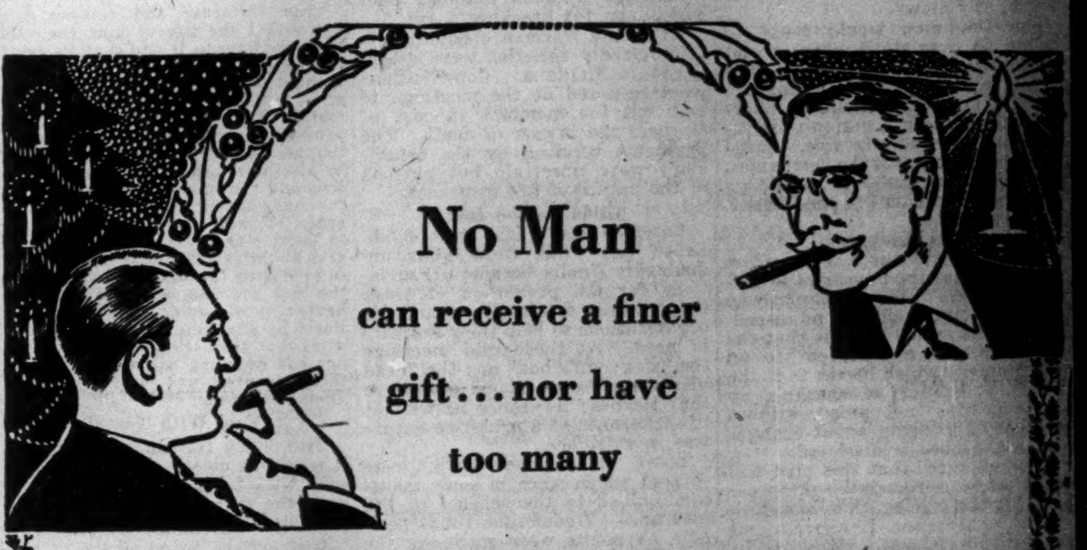

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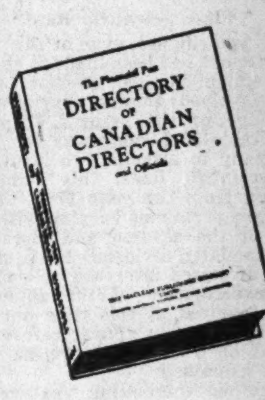
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Electric Refrigerator Companies
Department Stores
Banks
In this Directory the directors of Canadian public companies are listed, with their name, initials, business address, home address in most cases, and a list of the companies with which each is associated. Officials, such as vice-presidents, general managers, secretary-treasurers, who are not sitting on the board of directors, are also listed with their name, initials, position occupied and business address. The type is large and the names are self-indexed alphabetically.
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Insurance for Buyer and Seller

JURISDICTION OF INSURANCE IS NOT SETTLED

Federal and Provincial Authorities Far Apart on Question

MAY BE TEST CASE

Reports of Agreement to Divide Responsibility Are Not Credited in Informed Circles

Despite unofficial statements emanating from sources close to the provincial governments of Quebec and Ontario, to the effect that a settlement of the insurance constitutional question is in the ofifng, it is learned that there is no real hope of an early termination to this struggle.

There have been informal conversations at Toronto between the two provincial governments and Rt. Hon. Arthur Meighen, representing the Federal government, but these conversations have not disclosed any ground for agreement nor held out any prospect of agreement.

Federal Position

It is probable that the provinces have been encouraged by the fact that Mr. Meighen has referred to the possibility that the Federal government might voluntarily retire from the contest, leaving the provinces in undisputed command. But any unofficial remarks Mr. Meighen may have made along this line have only served to bring many insurance companies into the controversy with requests that the present Federal administrative system be preserved.

Several of the provinces, also, have requested Ottawa to continue its insurance control. These provinces do not relish the prospect of having to find money for the organization of a new provincial service.

Proposed Settlement

The details of the proposed plan of settlement which has been put out at Toronto, and concurred in at Quebec, are sufficient evidence to prove the failure of negotiations to date. This plan is said to be, in substance, as follows:

The Dominion would cease to license or regulate insurance companies, turning this activity over to the provinces. The Dominion, however, would continue to operate and maintain a nation-wide inspection and audit service, charging the costs against the companies. The reports, presumably, would go to the provinces, not to the Federal government.

Has Weakness

This plan, obviously, is an effort on the part of the provinces to placate the fears of the companies who desire national auditing and inspection. But it seems obvious that the Dominion will not consent to an arrangement which leaves to it the full responsibility of checking up on insurance companies without any power to bring about changes where the need is disclosed.

It is expected that this plan will be advanced seriously by the provinces at the coming Dominion-Provincial conference. If expectations among those close to the situation are founded, however, it is a foregone conclusion that the Dominion will reject it. Failing the materialization of some better compromise it begins to look as if the only avenuo of progress open to the provinces is to launch another constitutional case, challenging the new Federal laws. There is some reason to believe that if these laws can be destroyed in the courts, the Federal government might abandon the field. But the Federal ministers are certainly confident that the laws are sound and will emerge from the courts unscathed.

New Books

Administration of Estates

As life insurance underwriters are continually enlarging their sphere of operation to fill with increasing capacity the roles of counsellor and financial adviser to their clients, it becomes imperative that they master in some degree the fundamental legal principles governing the disposition of estates, not only in regard to life insurance but as to other types of property invariably involved.

To aid in a solution of this problem, regular courses of study are provided in Canada leading to the degree of Chartered Life Underwriter which have been of very real value in improving the general standard of knowledge among life underwriters. A further aid is the publication under the sponsorship of the Life Underwriters' Association of Canada of various textbooks dealing as far as possible with peculiarly Canadian angles of these problems.

This is the primary purpose of a 135-page book just published by the Life Underwriters' Association of Canada on "The Administration of Estates." Written by Terence Sheard, estates officer of the National Trust Co. this is a readable business-like handbook setting designed as Mr. Sheard points out in his preface "to give a brief summary of what may be called the background of the administration of estates."

It deals specifically with estate aspects of various types of property; succession duties; wills and trusts; stock purchase agreements and so forth and although Ontario law is cited for illustrative purposes its contents may be readily adapted to conditions in other parts of the dominion. Primarily written for life underwriters it should be of considerable value to trust company officials and to all those interested in estate administration and conservation.

Published by the Life Underwriters Association of Canada, 159 Bay St., Toronto. Price $1.75.

HIGHER RATES FOR MARINE CARGOES

Usual winter increase in marine cargo insurance rates went into force last week. No change was made in hull insurance as the winter season commenced officially on Nov. 1. The increase in rates was graded with a 20 per cent increase going into effect Dec. 1 and additional increases on the two following days. These rates are based on provisions of the North American agreement.

The summer rate on grain is 25 cents per $100 till the middle of November, being increased to 39⅜ cents per $100 for the next 15 days. An additional premium of 20 cents per cent, on the value of the grain came into effect on Dec. 12, the rate accordingly being 59⅜ cents per $100 for cargoes carried by tramp steamers. Another ten cents added to the premium on cargoes of grain leaving St. Lawrence ports in British and foreign ships, excluding Scandinavian, became effective Dec. 2, raising the rate to 69⅜ cents per cent. Another ten cents was added to the premium for Dec. 3, although it may be possible for shipowners to obtain a reduction of extension of a lower rate if the weather remains mild.

Scandinavian ships, which are not subject to the North American Agreement and Warranty, except perhaps in one or more isolated instances, must be beyond the port of Quebec before December 1 in order to obtain advantage of the summer insurance rate.

History of Life Insurance Dates to Ancient Rome

Many Strange Policies Issued Before Modern-Day Actuarial Contract Achieved

By J. G. PARKER
Actuary, Imperial Life Assurance Co.

There seem to be traces of something resembling life insurance back in the days of Ancient Rome. The Roman Collegia, which were unions of a religious nature, had among their other features, provisions for burial of their members. There is a record of an inscription dated A.D. 136, of one of these Collegia specifying that new members must pay an entrance fee of 100 sestertii (say about $3.50), an amphora (about six gallons) of good wine and must thereafter contribute 5 asses (about 5 cents) monthly. For these payments they secured 300 sestertii to pay burial expenses, of which amount the sum of 50 sestertii was distributed among the funeral train.

No distinction was made in the contribution according to age but they did have a provision providing for the lapse of the membership if the monthly subscriptions were not paid. They also had treasurers and accountants. There is nothing, however, to show that they had actuaries to guide them aright nor agents to secure for them new members.

English Record Starts A. D. 940

Turning to England, one of the earliest records of insurance was in the days following the reign of Atholstan about 940 A. D. There certain neighbors bound themselves together in a combination which was called "tithing" raising a fund by mutual payments and out of these, fines were paid for certain offences and other pecuniary satisfaction was arranged. It is interesting to note from the fines collected in those days that very great value seemed to be attached to a man's personal appearance. For instance, the fine for breaking a man's thigh was 12 shillings whereas 20 shillings was the fine for cutting off a man's beard. The fine for the loss of a front tooth was 6 shillings whereas you only paid 3 shillings for breaking a rib.

After the Norman conquest certain friendly societies were established in England. Contributions were collected at the meetings to help out the members in case of sickness and in case of death. The payments received by the beneficiary were uncertain but partook of the nature of life insurance.

Gilds Passed Box

Later on the "gilds" were established and while these gilds undoubtedly finally became organizations for the promotion of trade they were originally charitable organizations to help their brothers in need. At these gild meetings the "sick man's box" and the "dead man's box" were passed around so that sickness insurance as well as life insurance of a primitive nature was in existence.

Later on tontine funds were formed which were in some measure applied to the scheme of life insurance. Under such funds periodic payments were made by the members and the total accumulation of the fund became the property of the last survivor of the group. You can readily imagine that these funds proved a ready incentive to kidnapping and murder because as the amounts of the accumulations grew it became well worth while for a man to have the three or four others who stood in the way of his receiving the total fund to be quietly put out of the way.

Outgrowth of Marine

The regular business of life insurance seems to have been an outgrowth of marine insurance, just as marine insurance naturally grew from an expansion of commerce. In the early development of the commerce by sea in England and in Holland a great trade was done with the Levant. Piracy was rife in the Mediterranean and it was frequently the unhappy lot of the captain of the ship to be sold into slavery, in addition to losing his entire cargo.

It therefore became the custom of the owners to ensure the life of the captain against slavery, that is, to insure a sum which would secure the captain's ransom if he were taken into slavery by the Turkish pirates. From this developed a further payment which insured the life of the captain should he suffer death during the voyage. The policy was one year term insurance and the premium was about one-twentieth of the sum assured, irrespective of age.

They seem to have based the premium on the idea that about one in twenty die each year. This idea apparently originated with the early bills of mortality which were published in England from about the year 1538 up till some time in the year 1880. Then later, commerce for the gold producing countries of America, after its discovery, produced further need for insurance, both of cargo and of lives.

Wagers Next Step

In the 17th century, "gaming" was very prevalent throughout Europe and the next development in life insurance seems to have been along the line of wagers on the lives of individuals. This became so prevalent that in Holland in 1598 an ordinance was passed expressly prohibiting insurance on the life of any person, and likewise wagers upon any voyage or frivolous purpose. In 1661 and again in 1681, laws were passed in France prohibiting insurance of iife as being against good morals and customs.

In England in 1774 the "Gambling Act" was passed by parliament prohibiting the insurance of lives wherein the assured shall have no interest. This apparently is the first endeavor to legalize legitimate life insurance. In 1706 the first life insurance company was formed in London under the name of "The Amicable" of London. It was not founded on scientific principles but was similar to a mortuary tontine company. Each member paid a certain entrance fee and an additional monthly and quarterly fee making the total amount charged about £6 4s. per member. No definite amount was payable at death but it was provided that one-sixth of the total contributions, less expenses, would be divided among the members who died in the first year—an increasing amount was to be paid for those who died in the succeeding years.

In 1720 two other companies were formed, "The London Insurance" and the "Royal Exchange." These companies are still in active existence and they were the first to grant definite guaranteed sums at death for a definite premium. In the early days the business was altogether on the one-year term plan.

Form of First Policy

The form of the first policy of which any record has been kept, and issued by the London Insurance, was policy No. 12 issued on the life of one Nicholas Bourne in favor of Thomas Baldwin at a rate of 5 guineas per £100 for one year. Some of the wording of the policy is as follows:

"The Governor and company do agree that the life of him, the said Nicholas Bourne, is and shall be rated and valued at ye sum assured—£100—without any farther account to be given to them for the same." It further states, "That the Governor and company do assure, assume and promise, that he the said Nicholas Bourne shall, by the permission of Almighty God, live, and continue in this natural life for and during the said term and space of twelve calendar months, or in default thereof, that is to say, in case he the said Nicholas Bourne shall in or during the said time and before the full end and expiration thereof, happen to die or decease out of this world by any ways or means whatsoever, that then the abovesaid Governor and company will well and truly satisfy, content and pay into the said Thomas Baldwin, etc."

Void With Travel

The policy further provided that it would be utterly void in case the said Nicholas Bourne went to sea, or to the wars by sea or land, without obtaining license so to do.

Instructions to an agent of this company who resided in Dublin in 1725 would make it appear:

(1) That the London Assurance issued only one year and six months term policies.

(2) That there was no medical examination but that the applicants had to appear before the agent.

(3) That age limits were 10 to 50.

(4) That the annual premium was 5 guineas per cent for persons in good health; 6 guineas per cent for those who had not had smallpox; 6 guineas per cent for child-bearing women.

(5) That £500 was the maximum amount assured.

(6) That the extra premium was half a guinea for leave to go from Ireland to Great Britain and return.

(7) That the extra for travel elsewhere was to be fixed by the company.

First Scientific Rate

As you can see, even at this time no attempt had been made to charge a premium in some relation to the risk involved; that is, varying with the age of the assured. The old Equitable of London was the first company to attempt life insurance on scientific lines, this company dating from the year 1762. They charged premiums varying with the age of the assured and moreover contemplated dividends to its members at stated intervals. No medical examination of the applicant was required at this time but the applicant had to appear before the board of directors where he was cross-examined.

Another interesting feature of the Equitable was the fact that they were the first to employ an actuary; the name of this first man in my profession being William Morgan.

In the late years of 1700 different mortality tables were published and mathematicians began to base the calculation of life assurance premiums on a scientific basis.

Scottish Widows

I could go on to mention many interesting items which appear in the records of the old "Scottish Widows" which was founded in 1815. The founders of this company journeyed from Edinburgh to London, which at that time took four or five days, to consult Mr. Morgan, the actuary of the Equitable.

The records are available of the extra premiums which were charged in those days to those who might happen to sail by the new-fangled device of a steamboat rather than the more tried and safer journey by sail. Mention might be made of the extra premiums for a journey from Great Britain to France by way of Dover to Calais, of the very large extra required for residence in India, or for the military risk in India. I will only mention, however, that in 1827, a policyholder who wanted to visit New York, Philadelphia and Washington, returning by way of Montreal, was required to pay an extra premium of 3 per cent, that is $40 per $1,000 extra for the trip.

Current Events in Banking World

BANK MONTREAL DEMAND DEPOSITS DOWN ONLY 1.4%

Increased Government Bond Holdings Shown in New Figures

Separation of the deposits of the Bank of Montreal into component parts, shows that non-interest bearing demand deposits declined only 1.4 per cent in the last year compared with a drop of 3.6 per cent for interest bearing deposits. This comparison was not possible in The Financial Post of last week as the bank's complete statement had not been issued.

The large decline of nearly $49,000,000 in current loans shown in statement reflects the slower business activity in Canada this year. This item among the assets is largely offset by an increase of nearly 37 million dollars in holdings of Dominion Government bonds. The bank's income and surplus account were published in The Financial Post of last week. The balance sheet, ts analyzed by The Financial Post, follows:

GENERAL STATEMENT
As at October 31

Assets	1932 $	1931 $
Immediately Available Liquid Resources		
Specie	19,618,676	27,750,310
Dom. notes	59,062,221	47,875,605
Central gold res.	6,000,000	8,000,000
Bal. due by foreign banks	31,827,852	22,270,112
Foreign currency	295,285	281,667
Govt. secs.†	206,043,910	169,089,426
Call loans abroad	20,071,136	28,252,802
	342,919,080	303,519,922
Loans and Securities Other Than Those of Canadian Government		
Public secs.†	53,364,783	58,034,199
Railway secs.†	7,939,259	11,095,421
Can. call loans	5,157,691	9,243,922
Current loans	252,121,639	291,111,569
Curr. loans abroad*	17,879,400	23,002,009
Prov. & mun. loans	28,689,493	31,320,743
	365,152,265	423,807,863
Due from Other Banks		
Notes of other banks	3,204,664	3,418,407
Cheques of other bks.	27,183,030	32,094,437
Due by other banks	....	200
	30,387,694	35,413,044
Other Assets		
Non current loans	4,240,738	3,090,827
Real estate	443,207	390,887
Mortgages	1,278,564	1,344,579
Letters of credit	8,343,722	8,943,524
Premises	14,500,000	14,500,000
Dep. re circ. fund	1,542,872	1,692,109
Shs. in control. cos.	239,254	1,573,506
Other assets	118,877	147,073
	30,707,234	31,682,505
	769,166,273	794,523,334

*After provision for all bad and doubtful debts.
†Not exceeding market value.

Liabilities	1932	1931
To the Public		
Circulation	34,102,970	38,028,570
Deposits by public:		
Demand	115,347,204	116,940,465
Savings	520,407,410	539,922,594
To banks abroad, etc.:		
Foreign banks	10,274,414	10,444,966
Bills payable	180,187	220,119
Letters of credit	8,343,722	8,943,524
Sundry liabs.	1,545,776	2,091,464
	690,201,683	716,591,502
Due other Can. bks.	2,803,635	1,739,227
To the Shareholders		
Dividends	912,098	1,089,178
Reserve	38,000,000	38,000,000
Capital	36,000,000	36,000,000
Surplus	1,248,857	1,103,427
	76,160,955	76,192,605
	769,166,273	794,523,334

Note:—The business of the bank in Paris, France, and in San Francisco, Cal., is carried on under the names of local incorporated companies and the figures are incorporated in the above general statement.

Foreign Exchange

COMPARATIVE stability was achieved by the Canadian dollar in the week ended Dec. 5, compared with its more erratic fluctuations in the two previous weeks. The close at 85 cents in New York on Dec. 5 compared with a quotation of 84 cents on Nov. 28.

The week's movements halted at least temporarily, the decline in the New York quotation which started early in November, after the issue of $35,000,000 in Dominion notes under the Finance Act. The present greater strength in Canadian dollars reflects more confidence in the unit partly in the nature of a speculative recovery.

* * *

THE reassuring remarks of Hon. E. N. Rhodes in his London address have allayed fears of nervous observers of Canada's foreign exchange. The rejection of suggestions that the dollar be allowed to depreciate to the sterling level has naturally increased faith in Canadian dollars in United States.

As long as commercial and financial interests in the United States are confident that the close relationship between the Canadian and United States dollars is not to be arbitrarily altered by the fiscal policies of the Canadian government, intermediate fluctuations will not cause undue nervousness as to the ultimate course of Canadian dollars.

FOREIGN EXCHANGE
New York Funds

	High	Low	Last Year High	Last Year Low
	(Premium)		(Premium)	
	%	%	%	%
Nov. 29	19 3-4	18 7-8	15 3-8	15 1-8
Nov. 30	18 1-2	17 1-2	16 3-4	15 1-2
Dec. 1	17 1-4	16 3-8	16 3-4	15 5-8
Dec. 2	17 3-4	16 1-2	15 7-8	15 1-8
Dec. 3	18 1-2	17 7-8	16 1-2	15 7-8
Dec. 5	18 1-2	17 1-2	17 3-8	16 3-8

Sterling, Francs and Lire
Close Demand in New York

	Sterling	Francs	Lire
Nov. 29	3.14 7-8	3.90 3-4	5.07 1-2
Nov. 30	3.18 7-8	3.90 13-16	5.06 3-4
Dec. 1	3.21 1-8	3.90 15-16	5.06
Dec. 2	3.19 7-8	3.90 7-8	5.06
Dec. 3	3.18 7-8	3.90 7-8	5.06
Dec. 5	3.17 7-8	3.90 5-8	5.06 1-4

Close Demand in Toronto

Par		Nov. 21	Nov. 28	Dec. 5
5.26	Italian	5.93	6.05¾	5.96¾
23.80	German	27.52½	28.23½	27.94½
13.90	Belgian	16.03	16.44	16.27
49.80	Japanese	24.04	24.96	24.11

Dominion Bank has made the following changes in staff:

W. J. DUNDAS to be assistant manager at Montreal branch.

A. M. BETHUNE, formerly manager at King and McNab Sts. in Hamilton, Ont., is retired after 40 years with the bank.

THE
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Life Assurance Company
HEAD OFFICE
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Branch Offices:
SASKATOON CALGARY
EDMONTON VANCOUVER

Government Bond Holdings Top Half-Billion Mark

Large Increases in Savings and Demand Deposits and Higher Current Loans and Government Advances, Feature October Statement

For the first time in Canadian banking history, holdings of government bonds by chartered banks exceeded $500,000,000, according to the report for Oct. 31, 1932. The total at Oct. 31 was $515,536,611, being over 21 million dollars higher than the total at Sept. 30.

Current loans in Canada also increased materially in October, being $14,702,104 higher than in September. Other items on the asset side to increase substantially in the month were: holdings of Dominion notes, 10 million higher; balances due from foreign banks, 13 million higher; public and municipal securities, up over 7 million, and provincial loans, up over 12 million dollars. Declines of over seven million dollars were shown in both call loans abroad and municipal loans.

Deposits Higher

These increases in assets were counterbalance by large increases in deposits and government advances among the liabilities. Savings deposits were higher by $11,164,063 in October and demand deposits were up $12,622,035, a total increase of $23,786,098. The largest increase among the liabilities was in Dominion Government advances, amounting to $28,859,428. Provincial government advances were $8,832,046 higher and advances under the Finance Act were up $4,500,000 as is usual at this season.

Foreign deposits in Canadian banks were $17,366,165 higher than at the end of September, thus reflecting a possible improvement in the business of the banks outside Canada.

The net result of all these changes, in individual asset and liability items was, that total assets of all the banks were $76,220,599 higher than at the end of September. As shown in the tabulation below, The Financial Post's credit index was higher than in September by .02 per cent, although below the level of a year ago.

The consolidated statement for Oct. 31, 1932, as drawn up by The Financial Post with changes in each item indicated, is as follows. The complete statement is published elsewhere in this issue.

ASSETS

	Oct., 1932 $	Sept., 1932 $	Change $	Oct., 1931 $	Change $
Immediately Available Liquid Resources					
Specie	55,030,726	55,479,261	— 448,535	69,949,595	— 14,918,869
Dom. notes	122,508,159	112,396,111	+ 10,112,048	111,859,982	+ 10,648,177
Gold reserve	21,381,732	23,081,732	— 1,700,000	26,730,866	— 5,349,134
Foreign banks	114,103,673	101,067,780	+ 13,035,943	97,054,069	+ 17,049,604
Foreign curr.	18,258,007	16,899,296	+ 1,358,711	14,633,593	+ 3,624,414
Govt. secs.	515,536,611	494,202,066	+ 21,334,545	487,908,541	+ 27,628,070
Call loans ab'd	87,527,570	95,193,231	— 7,665,661	90,743,623	— 3,216,053
	934,346,478	898,319,427	+ 36,027,051	898,880,269	+ 35,466,209
Loans and Securities Other Than Those of Canadian Government					
Public secs.	159,630,442	152,166,403	+ 7,464,039	148,573,831	+ 11,056,611
Railway secs.	51,761,359	52,874,237	— 1,112,878	59,038,314	— 7,276,955
Can. call loans	117,209,722	114,954,355	+ 2,255,367	158,582,930	— 41,373,208
Current loans	1,017,746,959	1,003,044,855	+ 14,702,104	1,140,734,029	—122,987,070
Loans abroad	159,039,913	158,984,914	+ 54,999	188,942,677	— 29,902,764
Prov. loans	34,252,187	22,193,954	+ 12,058,233	38,343,852	— 4,091,665
Mun. loans	109,213,441	116,621,877	— 7,408,436	113,836,283	— 4,622,842
	1,648,854,023	1,620,840,595	+ 28,013,428	1,848,051,916	—199,197,893
Other Assets					
Non-curr. loans	13,455,921	13,456,511	— 590	11,143,290	+ 2,312,631
Real estate	7,610,203	7,510,487	+ 99,716	6,271,121	+ 1,339,082
Mortgages	6,549,360	6,284,693	+ 264,667	6,347,220	+ 202,140
Premises	79,586,569	79,924,670	— 338,101	79,546,742	+ 39,827
Lets. of credit	47,275,804	48,266,924	— 991,120	61,778,607	— 14,502,803
Loans to comp.	13,040,088	13,150,936	— 110,848	14,468,660	— 1,428,572
Other assets	1,559,384	1,490,031	+ 69,353	1,835,788	— 276,404
	169,077,329	170,084,252	— 1,006,923	181,391,428	— 12,314,099
Total	2,752,277,830	2,689,244,274	+ 63,033,556	2,928,323,613	—176,045,783
Note cir. dep.	6,597,825	6,594,208	+ 3,617	6,814,809	— 216,984
Int. bank bal.	116,280,126	103,096,700	+ 13,183,426	122,158,938	— 5,878,812
Gross	2,875,155,781	2,798,935,182	+ 76,220,599	3,057,297,360	—182,141,579

LIABILITIES
To The Public

	Oct., 1932	Sept., 1932	Change	Oct., 1931	Change
Circulation	133,027,195	133,241,528	— 214,333	152,928,936	— 19,901,741
Dom. govt.	44,757,798	15,898,370	+ 28,859,428	39,794,471	+ 4,963,327
Prov. govt.	40,699,075	31,867,029	+ 8,832,046	25,789,500	+ 14,909,575
Govt. advances	27,500,000	23,000,000	+ 4,500,000	24,500,000	+ 3,000,000
Deposits By Public					
Demand dep.	493,284,841	480,662,806	+ 12,622,035	580,592,700	— 87,307,859
Savings dep.	1,370,553,538	1,359,389,475	+ 11,164,063	1,462,308,101	— 91,754,563
Total	1,863,838,379	1,840,052,281	+ 23,786,098	2,042,900,801	—179,062,422
Foreign dep.	324,510,561	307,144,396	+ 17,366,165	301,950,691	+ 22,559,870
Due to Banks Abroad, Etc.					
Un. Kingdom	4,539,904	4,848,818	— 308,914	3,935,465	+ 604,439
Foreign	46,523,875	48,909,942	— 2,386,567	56,795,040	— 10,271,665
Bills payable	1,220,360	1,554,600	— 334,240	4,476,484	— 3,256,124
Lets. of credit	47,275,804	48,266,924	— 991,120	61,778,607	— 14,502,803
Other liab.	2,128,596	2,165,810	— 37,214	2,765,918	— 637,322
Public liab.	2,536,021,047	2,456,949,698	+ 79,071,349	2,717,615,913	—181,594,866
Due bet. banks	11,292,090	14,214,283	— 2,922,193	10,222,810	+ 1,069,280
Liability to Shareholders					
Dividends	1,157,432	720,174	+ 437,258	1,347,931	— 190,499
Reserve	162,000,000	162,000,000	....	162,000,000	....
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,854,970,569	2,778,884,155	+ 76,586,414	3,035,686,654	—180,716,085
Credit index*	60.9%	60.7%	+ 0.2%	63.6%	— 2.7%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Weekly Bank Clearings

Eastern Cities

	Dec. 3, 1931	Dec. 1, 1932
Halifax	$ 3,208,342	$ 1,842,561
Saint John	2,678,137	1,385,904
Sherbrooke	799,202	515,217
Quebec	6,490,565	3,350,888
Ottawa	7,625,405	3,932,456
Montreal	147,723,464	79,069,884
Kingston	869,996	472,848
Peterboro	603,661	562,964
Toronto	114,782,377	77,472,653
Hamilton	5,637,034	3,310,574
Kitchener	1,036,897	760,047
Brantford	1,113,384	644,128
London	3,727,573	2,101,342
Chatham	629,468	417,907
Windsor	3,050,977	1,972,265
Sarnia	552,628	298,382
Sudbury	582,169	417,784
Moncton	985,631	701,555

Western Cities

	Dec. 3, 1931	Dec. 1, 1932
Fort William	$ 770,903	$ 442,128
Winnipeg	160,130,226	82,199,222
Brandon	672,055	294,543
Moose Jaw	826,846	465,528
Regina	5,660,392	2,973,724
Saskatoon	1,962,272	1,339,978
Prince Albert	453,739	239,171
Edmonton	5,456,172	3,364,359
Calgary	7,886,414	5,325,193
Medicine Hat	275,153	155,836
Lethbridge	458,871	303,434
New Westminster	689,683	367,829
Victoria	2,202,084	1,126,859
Vancouver	16,251,898	11,617,766

Vancouver Grain Shipments Large

The Vancouver Merchants' Exchange reports shipments of grain this season from the Port of Vancouver at over 30,000,000 bushels. November's exports are likely to run to over 14,000,000 bushels.

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Bank Chat

The Bank of Nova Scotia announces the following changes in staff appointments:

G. A. BLACKIE, formerly manager at Channel, Nfld., to be manager at Aylesford, N.S.

A. R. RENDELL formerly accountant at St .John's, Nfld., to be in charge at Channel.

A. A. ARMSTRONG, formerly of the inspection staff, to be assistant manager at Calgary, Alta.

A. A. FORREST, formerly manager at Kennetcook Corner, N.S., to be manager at New Waterford, N.S.

G. G. BENNETT, formerly of the relieving staff, to be in charge at Kennetcook Corner.

H. I. LAN GILLE, formerly of our staff at Kingston, Ja., to be in charge of our branch at St. Ann's Bay, Ja.

F. W. ROBINSON formerly assistant accountant at Vancouver, B.C., to be accountant at Edmonton, Alta.

Canadian Bank of Commerce announces the following changes in staff appointments:

W. J. BELL, formerly manager at Mount Pleasant and Manor Road Branch, Toronto, to be manager at College and Dovercourt Branch, Toronto.

A. B. HOOD to be manager at Mount Pleasant and Manor Road Branch, Toronto.

Imperial Bank of Canada announces the following changes in staff appointments:

R. H. MONTGOMERY, formerly manager at Wyandotte & Partington Branch, Sandwich, has been appointed manager, Niagara-on-the-Lake, Ont.

W. E. CUSLER, acting manager, Runnymede & Annette Branch, Toronto, has been reappointed manager, West Toronto Branch, Toronto.

J. ANDERSON, acting manager, West Toronto Branch, Toronto, has been appointed manager, Runnymede & Annette Branch, Toronto.

G. W. STERLING, manager, Fielding, Sask., to be manager, Piapot, Sask.

A. McKENZIE, manager, Piapot, Sask., to be manager, Jasper, Alta.

J. S. HARRISON, formerly accountant, Walkerville, has been appointed accountant, Amherstburg, Ont.

J. P. DUNCAN, formerly attached to the accountant's department, Windsor, Ont., has been appointed accountant, Walkerville, Ont.

D. C. SHIRREFF, formerly attached to Montreal Branch, has been appointed accountant, St. Catharines, Ont.

A. P. GRANT, accountant, St. Catharines, Ont., has been appointed to the accountant's department, Montreal,

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"A Central Bank for Canada"
An opportunity for every good citizen to inform himself on one of the vital issues of to-day

IS CANADA'S banking system antiquated and does it need to be revitalized by a central bank? Or is Canada's wonderful record of no bank failures in this, the greatest depression in history, proof that we do not need any such radical change in our banking system?

This is one of the big questions of the hour in Canada. Fiercely is it being debated in and out of Parliament. Most of the debate is carried on by those who have no adequate conception of their subject.

Recently The Financial Post published a series of articles on "A Central Bank for Canada" that made clear all the essential facts about central banking, and its possible application in Canada. It was a simple statement of the pro's and con's written for the average business man reader.

These articles were written by a recognized student of the problem, A. F. W. Plumptre, lecturer in money at the University of Toronto.

These articles have now been published in a small paper-covered book. Copies may be obtained at the nominal cost of, each, 25c.

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Wheat and Business

Prices Low Despite Bullish News
Big Demand for Canada Wheat
Elevator Stocks Lightening

From Our Own Correspondent

WINNIPEG.—New low prices were registered in the wheat market at the beginning of the week in the face of various items of news which should have been bullish, including an increase in world shipments of grain and a new high for the season in shipments from Canada.

Weekly world shipments were over 16,000,000 bushels and of these Canada contributed 11,606,000 bushels or about 70 per cent. From the United States there were shipped something over a million bushels, practically all Farm Board wheat for Brazil, which is understood just about to complete the transaction with that country.

While the United Kingdom continues to be the chief customer for Canadian wheat, good shipments have been made to practically all European countries.

With the closing of navigation on the lakes the centre of interest in Canadian trade has shifted to Vancouver. While cash prices for No. 1 Northern wheat on the Winnipeg market have come down to the December basis, instead of considerable premiums prevailing, good premiums for cash wheat have been in effect at Vancouver. The premium for No. 1 hard, at three cents over No. 1 Northern was particularly good for Vancouver, where the highest grade is usually somewhat less in demand, and is believed to represent a good current demand from Germany. Vancouver had fifteen ships in port on Monday to take out more than 3,500,000 bushels.

* * *

REPORTS of food conditions in Russia are getting worse, and a general feeling is reported in the European trade that Russia may have to import wheat before long. Argentine production appears likely to be considerably down from earlier estimates, offsetting the very good crop that Australia seems to have produced. Respective conditions are reflected in the fact that Australian shipments are running at more than twice the rate of those from the Argentine. Private reports indicate that a reduction of more than 6 per cent has taken place in United States winter wheat acreage, while reports as to condition suggest that an average yield even less than that of last year may be in prospect.

Some buying of May and July wheat at the beginning of the week was attributed to the government agency, but there is some doubt as to whether this agency is now increasing its future commitments. Canada has now begun to dispose of wheat more rapidly than new supplies come into the market from the country, and this condition, with over seventy per cent of the crop delivered, may continue for the balance of the season. Gradual lightening therefore of the Government load is considered likely, to keep pace with the reduction of stocks.

* * *

CONGRESSIONAL defeat of the proposed prohibition repeal amendment was thought to have a double influence on the United States market, and to have been reflected in Winnipeg. One item was the fading prospect of a tax on beer which might help to balance the United States budget, and the other was disappearance of immediate hope for a much larger market for brewers' and distillers' grains.

Grain forwarders here are interested in the report that the Montreal Harbor Commissioners will cease the former practice of lending grain in store to dealers whose supplies are en route but have not yet reached Montreal. Some slight increase in premiums payable on grain in store is a possibility with the opening of another season of navigation.

MAY GIVE GARNET SEPARATE GRADING

Recommended by Grain Commissioners in Interest of Foreign Miller

Garnet wheat is to be graded as a separate variety in the next Canadian crop year commencing Aug. 1, 1933, if a bill amending the Canada Grain Act is approved by parliament early in 1933. The board of grain commissioners will submit the new bill for the consideration of Hon. H. H. Stevens, Minister of Trade and Commerce, for approval. It has been drawn up as a result of investigation by E. B. Ramsay, chairman of the board in Europe, where he conferred with important milling interests.

European buyers indicated that separate grading was desirable because at present Garnet wheat is allowed to be graded as high as No. 2 Northern. This results in mixture of Garnet with Marquis wheat, ranging up to 80 per cent Garnet, and this combination does not have the mixing qualities foreign buyers have learned to expect of western Canadian wheat.

The European miller is essentially a blender of wheat and judges what is the best mixture himself. Thus his difficulties are obvious when he has to deal with a mixture at the outset which is not always uniform in its content of Garnet and Marquis.

It is considered probable that only two grades will be created for Garnet instead of the three originally proposed. This would be based on opinion of European buyers who consider that two grades would serve their purpose. It is thought that Garnet would be able to sell in competition with the best Argentine wheat if graded separately, and that the market could probably absorb up to 50,000,000 bus. of it.

It is reported that the Federal Government may give some aid toward establishing Garnet as a separate variety in the world market. Some demonstration of the quality of Garnet wheat would be necessary to introduce it in quarters abroad where the wheat is not already well known, in order to quickly establish its market and to show its value for milling.

Grain and Milling in Canada

BUYING POWER PRAIRIE PROVINCES UP 2 PER CENT

Sanford Evans Survey Gives Detailed Estimate for 1932-33

BELOW AVERAGE

Current Purchasing Power Placed at 65 Per Cent of 10-Year Average

Buying power of the three prairie provinces is approximately 102 per cent of last year and 65 per cent of the 10-year average, according to an analysis prepared by the W. Sanford Evans Statistical Service of Winnipeg. The survey is based on cash revenue to farmers from grain, livestock sales and dairy and poultry production, and shows relative position of 20 individual sales areas in the three provinces.

Figures for the current year are of course tentative as yet depending on future course of prices and upon any changes in the present outlook for production but they are believed to give a valuable indication of the buying power of this very important area.

Many Changes Seen

One important feature of the survey is the number of farmers whose buying power is shown to have improved during the year as compared with a year ago. No large area this year is suffering from complete crop failure or any similar condition as was the case in two Saskatchewan areas a year ago. This is shown by the following figures:

Buying Power*	This Year (No. of Farmers)	Last Year (No. of Farmers)
75% or better	102,753	97,367
50-75%	112,229	91,796
35-50%	35,897	30,547
Below 35%	very few	31,259

*Percentage of 10-year normal.

Redistribution of revenue is evident from the survey. Saskatchewan sales areas two and three (see map on this page) show gains of more than 100 per cent over last year, due to a better crop, though the percentage of normal is still very low. Manitoba sales area Number 1 also shows a notable gain. Farmers of Alberta are likely to receive less than in 1931-32. Yet despite these changes total buying power of farmers in the Prairie provinces will probably be about equal to 1931-32; the leading areas are still in the north and Alberta has the most consistent record among the provinces.

How Farm Income Received

Another point of interest brought out by the survey is the manner in which the farmer's income is received throughout the year.

On an average 72 per cent of the farmer's wheat is delivered by November 30. Full payment is not taken by this date, but so far as is known the greater part is. The present situation is rather peculiar; 68.5 per cent of the estimated marketable crop was delivered up to November 19, with indications that many farmers are reluctant to sell. Reports are continually being received of farmers holding back wheat on the farms.

The value of these deliveries at present prices is nevertheless 20 per cent greater than up to the same time a year ago.

Coarse Grains Important

Coarse grains, i.e., oats, barley, flax and rye, particularly oats and barley, are a potential source of revenue if prices rise to a profitable level. At present it is expected that about 25 per cent of the oats, 25 per cent of the barley, 85 per cent of the flax and 65 per cent of the rye will be marketed, the remainder being fed or stored on farms. Any rise in the price of these grains is therefore of considerable importance.

Livestock is marketed fairly evenly throughout the year as are poultry products and dairy products, minor peaks being noticeable during the summer and towards the fall. This year dairy products are coming forward at a good rate but low prices are reducing net returns. Taking the year, October, 1931, to September, 1932, and comparing with the previous year, cattle marketings are lower than a year ago, sheep about the same to slightly lower and hogs increased by about 50 per cent. Total returns are of course much reduced by reason of the lower prices.

The following gives a comparison with a year ago of prices of leading products.

	This Year	Last Year
	per bus.	per bus.
Wheat, 1 Nor. at Ft. William, Nov. 30	44⅜c	62⅛c
Oats, 2 C.W. at Ft. William, Nov. 30	22⅛c	31⅜c
Barley, 3 C.W. at Ft. William, Nov. 30	28⅜c	40⅞c
Rye, 2 C.W. at Ft. William, Nov. 30	28⅞c	44⅜c
Flax, 1 C.W. at Ft. William, Nov. 30	67⅛c	99½c
	per cwt.	per cwt.
*Cattle—Steers, medium up to 1050 lbs. at Winnipeg	$3.00	$4.00
*Hogs—Bacons, Winnipeg	$3.15	$4.18
*Sheep—Lambs, good handyweight at Winnipeg	$3.65	$5.60
Butterfat—F.o.b. Winnipeg, Nov. 16, Table	19½c per lb.	20c per lb.

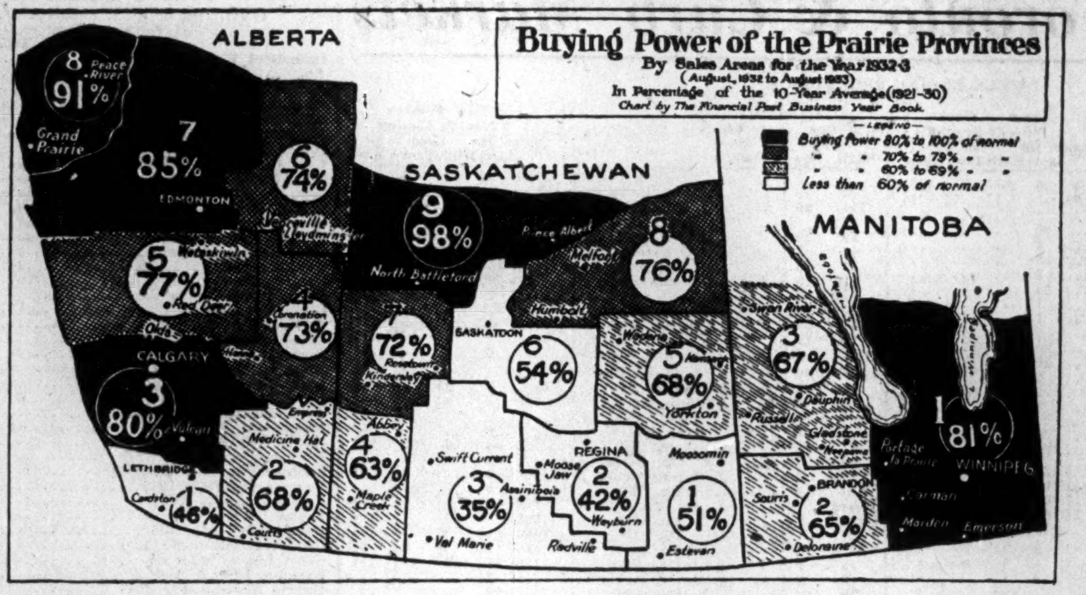
* Week ending November 17.

Detailed analysis of the crop returns by sales areas in each of the three provinces is shown in the following table:

BUYING POWER OF PRAIRIE PROVINCES BY SALES AREAS

	No. of Farms	Urban Population	Rural Population	Buying Power In Per cent of 1921-30 Aver. buying power 1932-33	1931-32	1932-33 in % of 1931-32
				%	%	%
Manitoba						
1—Winnipeg	22,660	304,461	116,434	81	82	98
2—Brandon	14,020	46,843	61,811	65	44	147
3—Dauphin	15,120	24,844	68,602	67	68	99
Average				71	63	113
Saskatchewan						
1—Estevan	9,458	17,583	44,282	51	33	153
2—Regina	9,014	82,801	45,714	42	15	281
3—Swift Current	22,245	29,350	90,474	35	15	233
4—Maple Creek	6,979	6,132	25,203	63	38	165
5—Yorkton	20,463	30,272	105,219	68	63	107
6—Saskatoon	16,515	62,559	81,832	54	50	108
7—Rosetown	10 823	14,620	45,019	72	70	102
8—Melfort	10,719	12,458	53,020	76	85	89
9—No. Battleford	13,366	23,666	64,605	98	128	76
Average				57	48	119
Alberta						
1—Lethbridge	4,638	31,307	22,033	46	56	81
2—Medicine Hat	5,909	18,942	21,924	68	73	94
3—Calgary	11,295	97,808	51,538	80	61	130
4—Coronation	12,942	13,758	49,488	73	72	101
5—Red Deer	12,967	24,390	55,376	77	103	74
6—Lloydminster	12,598	10,966	57,870	74	118	63
7—Edmonton	13,029	81,565	56,069	85	132	64
8—Peace River	6,119	11,562	27,967	91	129	70
Average				75	88	85
Average. Three Provinces				65	64	102

Survey Shows Details of Prairie Buying Power



Buying Power of the Prairie Provinces
By Sales Areas for the Year 1932-3
(August, 1932 to August 1933)
In Percentage of the 10-Year Average (1921-30)
Chart by The Financial Post Business Year Book
Buying Power 80% to 100% of normal
70% to 79%
60% to 69%
Less than 60% of normal
ALBERTA
SASKATCHEWAN
MANITOBA
8 91%
7 85%
6 74%
5 77%
4 73%
3 80%
2 68%
1 46%
9 98%
8 76%
7 72%
6 54%
5 68%
4 63%
3 35%
2 42%
1 51%
3 67%
2 65%
1 81%
EDMONTON
CALGARY
LETHBRIDGE
SASKATOON
REGINA
WINNIPEG
BRANDON

This annual survey of prairie purchasing power gives a valuable picture of the 1932-33 buying power of the three prairie provinces by 20 sales areas. The percentage figures represent the current buying power of each area in terms of the 10 year average.

This is the fourth year this survey has appeared in The Financial Post. It is prepared by the W. Sanford Evans Statistical Service.

Buffalo Gets Smaller Share Grain Business

From Our Own Correspondent

BUFFALO. — While navigation on Lake Erie will not be entirely suspended till toward the end of the month, the season's business was so nearly concluded in November that the figures available give a fair idea of the proportions which it reached. Some 60 boats already are in winter quarters in Buffalo harbor and not more than eight or ten more will join them.

At the end of November the receipts of all kinds of grain here had been 119,435,000 bushels. Not very much will be added to that total. The receipts during last season were about 9,000,000 bushels greater.

Erie Gets Big Share

Of the total receipts more than 36,000,000 bushels were forwarded over the Erie Barge canal. The railroads carried out about 4,000,000 bushels of export grain. Their domestic hauls are not recorded.

Some 12,000,000 bushels of grain, despite the availability of the new Welland canal for big vessels, were transshipped from Buffalo to Montreal.

A considerable part of Buffalo's wheat receipts is ground in local mills. Buffalo of late years has been passing Minneapolis as a milling centre. The output of flour had run to nearly 8,500,000 barrels by the end of November and will exceed 9,000,000 barrels for the year. In 1931 the record was 11,080,444 barrels and in 1930 it was 12,269,920 barrels.

SEPTEMBER FLOUR OUTPUT DECLINES FROM LAST YEAR

From Our Own Correspondent

MONTREAL. — Canadian flour mills operated at 50.9 per cent of capacity in September, producing 1,384,500 barrels of flour, compared with an operating ratio of 56.7 per cent in the same month last year, when output was 1,515,613 barrels. Production in September this year, however, showed a seasonal gain over August in which month output was 1,272,009 barrels.

Reduced activity in flour milling finds reflection in cumulative figures covering production in the nine months ended September 30 last. In that period total output was 9,790,923 barrels, compared with 10,790,677 barrels in the corresponding period of the previous year.

Contraction in export business has been largely responsible for the decline in flour production. In September, shipments for export totalled 385,113 barrels, a slight increase over the previous month, but a decline from exports of 556,565 barrels reported in September last year.

For the first nine months of this year exports amounted to 3,554,090 barrels. This compared with 4,210,968 barrels in the first nine months of 1931, indicating that millers are being forced to depend on domestic outlets for their flour to a greater extent than before.

Extend Fixed Wheat Price for Relief in Saskatchewan

Fixed price of grains for repayment of all advances made by the Saskatchewan Relief Commission, with the exception of binder twine, has been extended to the end of December, according to announcement by C. B. Daniel, manager of the commission.

Ordinarily the fixed price arrangement would expire at Nov. 30, but officials decided to grant the extension. Some 2,000,000 bus. of wheat have been received by the commission from users of the relief offered up to date.

U. S. Wheat Situation Needs Close Watching

Most Powerful Influences on World Wheat Prices Thought Now to Lie Within United States

From Our Own Correspondent

WINNIPEG. — The comparative insensitiveness of wheat markets of late to news that might under other circumstances be considered to be of a bullish nature has been a matter of comment.

Some explanation is to be found in the present relation of wheat markets in the United States to those of the rest of the world, acting powerfully on markets elsewhere, but themselves less subject than usual to outside influences. Prices within the United States seek an equilibrium of market forces within that country, independently of what is going on outside, and it would appear that prices elsewhere are to a large extent reacting to influences there.

It is quite possible that the most powerful influence on world prices just now is to be found within the United States, regardless of the fact that that country is practically out of the export business, and is unlikely to be in it again for a long time.

U. S. Situation

United States wheat is cut off from the rest of the world just now by a double wall. Half of that wall is founded on the exchange situation, which in this case means the inability or unwillingness of other countries to buy from the United States, and the other half upon her domestic price situation, which means the inability or unwillingness of that country and its farmers to accept prices which enable importing countries to obtain wheat from other parts of the world.

Within that wall is impounded the greater part of the world's excess supply of wheat, cut off for the present from any chance of consumption in countries abroad as effectually as if it were at the bottom of the sea. Outside of that wall the world's supply of wheat should not be too burdensome.

True, Canada has a lot of wheat for sale, and Australia and the Argentine will shortly be selling in quantity. But conditions in Russia and in the Danubian basin have put the Black Sea out of the picture as a source of wheat supply. With sources thus cut off which used to contribute half of the wheat which moved in world trade, it is doubtful if the rest of the world has very much of an excess supply of wheat.

But unfortunately for prices in the outside world, if wheat does not escape out of the United States over the wall which shuts in supplies, price influences manage to radiate through it.

Prices Keep Crop Back

In 1932 the United States produced 712 million bushels of wheat or 180 million bushels less than the previous year. That is practically the domestic consumption of the previous year. With prices above export parity not all of the carry-over needs to be carried through the year, since there are still some uncompleted Farm Board commitments for export to be filled, and limited quantities of flour go to certain markets, including those of the Philippines, where there is practically no competition.

Under such conditions equilibrium of supply and demand has been established only at a price low enough to keep a great deal of wheat back on farms of producers. Present prices seem to be having that effect, for the other day within twenty-four hours only a single car of wheat arrived in Chicago. Visible supply is less than a year ago by about forty-five million bushels, but at slightly less than 180,000,000 bushels is still somewhat large, and imposes something more of a market burden than was the case a year ago, when most of the wheat in elevators was the property of the Farm Board.

Continual Threat to Canada

At times a certain amount of uneasiness appears to have been felt in United States markets at the absence of export shipments, but this has been of limited extent, and price movements seem to have been dictated mainly by conditions within the country. But every decline in United States markets has been a potential threat at the export business Canada has been doing, and the Canadian market has promptly declined to prevent export of U. S. wheat.

It is quite evident that those in charge of government stabilization operations have no intention of letting the United States take any export business from Canada. The margin between Winnipeg and Chicago prices, when exchange is taken into consideration has been wider than would appear to be necessary to shut out United States exports, but a margin narrower might have allowed some wheat from the Southern States to escape through Gulf ports.

Black Sea Ignored

If United States prices are being determined by internal conditions it is not surprising that comparatively little note has been taken there of Black Sea conditions, or of reports of disappointing crop results in the Argentine.

Such matters result in no buying from abroad in United States markets, and so create no automatic adjustment to conditions. And they have comparatively little effect on sentiment in the United States, since prices are already above the export level.

Short Winter Crop?

Each day that passes removes by consumption some two million bushels of the United States supply. As the season advances the lessening weight of supplies might be looked to as a possible cause of buoyancy on the market. As the winter advances belief may grow that the United States is likely to have another decidedly short crop. It is generally accepted already that heavy production of winter wheat is practically out of the question, but the market can hardly yet be said to believe that a winter wheat crop as short as last year's is in prospect. But a decline of two cents a bushel at Chicago the other day upon reports of rain in Kansas indicates that a good deal of weight is already being given to winter wheat prospects.

Buyers abroad have indicated less belief than traders in the United States as to the ability of that country to hold its surplus wheat off export markets, and although willing to buy Canadian wheat for immediate needs have shown no inclination to stock up. In all British and foreign markets it has been customary to record varying supplies in the United States and to treat them as if they might soon become available to purchasers abroad. But if, as weeks go on, it appears that United States supplies are going to be held out of export channels, not only during the current crop year, but possibly also into the next crop year, because of another short crop, the supply and demand situation in export markets would present an entirely different picture.

And if at the same time rising prices in that country should remove the potential threat to Canada's export business, it would seem possible for Canada safely to ask more for her wheat. Developments in the reverse direction, and any anxiety on the part of the United States to export wheat, might have important influence in the opposite direction.

The United States situation, therefore, as probably the most important influence on world markets, will warrant close attention in coming months.

Winnipeg Grain Prices

Week to December 6

Crop year from Aug. 1, 1932 High	Low		Open Nov. 30	High for week	Low for week	Close Dec. 6
		Wheat				
.63½	.44	December	.44⅝	.45⅜	.44	.44¼
.67⅝	.46¾	May	.48⅝	.49⅜	.46¾	.46⅞
.54⅞	.48	July	.49⅞	.50½	.48	.48
		Oats				
.28⅞	.20¾	December	.22	.22⅝	.21⅝	.21¾
.29½	.22¼	May	.23⅝	.24⅜	.23	23
.26	.23⅜	July	.24⅛	.24⅝	.23⅜	.23⅜
		Barley				
.35½	.25	December	.29	.30¼	.28⅝	.28⅝
.38½	.28⅜	May	.30¾	.31⅞	.29⅜	.29¾
.35¾	.29¾	July	.31½	.32¼	.29⅝	.30
		Flax				
.87	.66¾	December	.68	.71	.67¼	.69½
.94	.71¾	May	.72¾	.75½	.72	.73½
.79¾	.73⅛	July	.73¾	.76¼	.73⅛	.74⅜
		Rye				
.39⅝	.26½	December	.29	.31⅛	.28¾	.30
.42⅞	.30¾	May	.32½	.34⅜	.32⅛	.32⅞
.37	.31⅝	July	.34	.35¼	.33½	.33⅞

U. K. PREFERENCE ON GRAIN VIA U. S. STILL UNCERTAIN

Latest Reports Indicate Restrictions for Buffalo Route

Uncertainty continues as to the status of Canadian grain shipped through Buffalo and United States ports to the United Kingdom. The question is what form of grain shipment is eligible for the Imperial preference of six cents a bushel in Great Britain. Eastern Canadian ports and shipping interests are striving for a large share of the grain trade that formerly went through the United States.

Originally it had been understood that, in accordance with the Ottawa agreements, grain had to be consigned from Empire ports to get the preference. Later, when objections to this arrangement were voiced by Western Canadian growers, it was understood that grain shipped on a direct bill of lading to Great Britain would get the preference, whether it went through a foreign country or not, and even if it were delayed in transit.

Premier Bennett stated recently in the House of Commons that if grain were sent under direct consignment to the United Kingdom, through a foreign country and from foreign ports, it would be eligible for the preference as long as its identity and source of origin were kept clear. This appeared to be virtual sanction of shipments on much the same basis as had prevailed in the past, and implied little interference with established routes for Canadian grain.

Through Bill Necessary

It now appears that the British and Canadian Governments have been communicating concerning the administration of the preference, and that the present tendency is to cut down shipments through Buffalo and United States Atlantic ports. As a result of the cable communications, it is reported that the British Government will undertake a strict administration of the preference and will require strict documentation of shipments.

This, it is thought, means that shipments through the United States will only get the preference if they are consigned on a through bill of lading to the British buyer. In such event the preference would only be applicable, when grain is shipped through the United States, on bona fide transactions between Canadian exporters and British importers. Under this system, breaking up shipments in the United States to suit cargo space available and prolonged storage in that country is impossible.

Exporters have been tentatively consigning shipments of grain to Great Britain and sending it to Buffalo for storage, pending sale. This practice, it is said, will not be acceptable to Britain under the preference.

A decision is expected very soon as to the eligibility of grain shipped on the direct consignment plan. A test cargo has been shipped from Fort William to Buffalo, and exported to Liverpool, from New York on the S.S. Laconia, which will also call at Boston. Upon arrival in the United Kingdom, it is expected that a decision will be made by the British Customs as to the grain's eligibility for the preference.

This test cargo of three cars of wheat was despatched by the International Export Association, an organization of United States and Canadian shippers, in an attempt to settle the controversy as to what grain is eligible for the preference. All details have been arranged so that an air-tight decision will be possible. The grain was sent from Fort William under a bill of lading marked for "export to the United Kingdom."

Buffalo Loses Trade

The result of the uncertainty on grain shipments this fall has been to divert a substantial volume of grain from Buffalo. Storage in and shipments from the United States have been very small this year. Canada at present is said to lack large storage space such as is available along the Buffalo-New York route, and as shipping facilities from Canadian ports are not as ample and flexible as those at United States ports, it is expected that there may be some mechanical problems in carrying out the latest regulations.

If the preference is not allowed on Canadian wheat shipped to the United Kingdom through United States ports, British importers foresee the possibility of two prices for Canadian wheat, one in the United Kingdom and one on the continent of Europe. W. Hodson, a leading Liverpool miller, who was one of the official grain delegates at the Ottawa conference, suggests that if shipments via the United States are made ineligible for the preference, Canadian wheat of the same grade in store at Liverpool will vary in price by about four cents a bushel, at present exchange rates, depending on whether it was shipped through Canadian or United States ports.

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Plans Wider Grain Handling

The Federal Government has authorized work at the West Saint John terminals which will increase the handling of grain at this port by almost a hundred per cent. The construction programme, to be begun at once and to be ready for the present season's operations, involves the doubling of the belt system and the installation of additional loaders as well as the linking up of additional berths with the elevators.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING DECEMBER 5

Range 1932 High	Low	Divd. Rate in $	Yield in % Dec. 3		Sales	Close Nov. 28 (or last)	Week Ending —Dec. 5— High	Low	Close

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
* Plus final div. of 17½c paid March 31, 1932.
§ Plus 20c. extra payable Dec. 1.

Index of Retail Prices Up Sharply For October

Combined index of retail prices of the Dominion Bureau of Statistics rose from 84.4 in September to 94.1 in October. This increase is largely due to seasonal influences for which no allowance has been made in compiling the index.

The index numbers are based on returns from 83 chains, comprising some 2,700 stores and 25 department stores.

Eleven retail groups are included in the report and they showed the following changes: boots and shoes rose from 71.6 in September to 77.0 in October; candy from 62.7 to 67.8; clothing from 80.7 to 87.0; drugs from 76.8 to 81.2; furniture from 54.9 to 58.4; general and departmental from 94.0 to 109.5; groceries and meats from 80.5 to 88.9 and music and radio from 38.8 to 39.0.

Decreases were shown in prices of dyers and cleaners, for which the index fell from 123.5 in September to 108.8 in October; hardware fell from 104.5 to 103.4 and restaurants from 64.7 to 61.5.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
December 6, 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	15.00	18.00
Acadia Sugar 6% 1946	83.00	87.00
Alta. Pac. Grain 6% 1946	75.00	78.00
American Sales Book 6% 1939	106.00	
Arnold Bros. 6% 1947	30.00	40.00
B. A. Oil 5% 1945	86.00	88.00
Can. Biscuit 6½% 1946	27.00	32.00
Can. Bread 6% 1941	87.00	
Can. Cement 5½% 1947	69.00	72.00
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	80.00	84.00
Can. Copper Refin. 6% 1945	97.00	99.00
Can. Cottons 5% 1940	83.00	88.00
Can. Steamship 6% 1941	28.00	34.00
Can. Vickers 6% 1947	65.00	71.00
Cons. Invest. 4½% 1959	43.00	
Cosmos Imp. Mills 6½% 1944	85.00	89.00
Davies, Wm. 6% 1942	90.00	92.00
Debenture & Sec. 4% 1936	49.00	52.00
Dom. Manufacturers 6% 1933	96.00	
Dom. Tar & Chemical 6% 1949	58.00	62.00
Dom. Telegraph 5½% 1978 "A"	84.00	87.00
Dom. Textile 6% 1949	93.00	
Dom. Woollens 6% 1948		22.00
Donnacona Paper 5½% 1948	10.00	15.00
Eaton Realty 5% 1949	83.00	85.00
Famous Players 6% 1948	67.00	70.00
Famous Players 6½% 1948	48.00	52.00
Federal Grain 6% 1949	68.00	71.00
Fraser Co. 6% 1932	10.00	
Fraser Co. 6% 1950	10.00	
Galt Brass 7½% 1941		30.00
Goodyear Cotton 6% 1949	94.00	96.00
Great Lakes Paper 6% 1950	17.50	18.75
Gypsum, Lime & Alab. 5½% 1948	37.00	40.00
Harris Abattoir 6% 1947	87.00	
Howard Smith 5½% 1953	57.00	61.00
Loew's Toronto 6% Serial	99.00	
London Realty 6½% 1950	50.00	55.00
Maple Leaf Milling 5½% 1949	49.00	54.00
Massey Harris 5% 1947	65.00	67.00
McColl Frontenac 6% 1949	84.00	86.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	35.00	40.00
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	67.00	70.00
Price Bros. 6% 1943	30.00	32.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	73.00	75.00
Simpsons Ltd. 5½% 1949		60.00
Simpsons Ltd. 6% 1949	55.00	60.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	80.00
United Gas & Fuel 5½% 1948	50.00	55.00
United Grain Growers 5% 1948	70.00	75.00
United Grain Growers 5½% 1949	75.00	80.00
Western Grain 6% 1949	64.00	68.00
Public Utility Bonds:		
Bell Telephone 5% 1955	109.50	112.00
Bell Telephone 5% 1957	109.50	112.00
B. C. Power 5½% 1960	80.00	85.00
B. C. Telephone 5% 1960	91.00	94.00
Calgary Power 5% 1960	77.00	80.00
Can. Northern Pwr. 5% 1953	72.00	76.00
Duke Price Pwr. 6% 1966	50.00	58.00
Elect. Develop. 5% 1933	113.00	120.00
French Natl. Mail SS 6% 1952	120.00	125.00
Gatineau Pwr. 6% 1941	57.00	58.50
Gatineau Pwr. 5% 1956	72.00	74.50
Inter. Power 6½% 1957		63.00
Maclaren Quebec 5½% 1961	69.00	73.00
Manitoba Power 5½% 1951	50.00	56.00
Montreal Isl. Pwr. 5½% 1957	97.00	100.00
Montreal LH&P 5% 1951	104.50	106.00
Montreal LH&P 5% 1970	103.50	105.00
Montreal Tram 5% 1941 July	95.00	96.50
Montreal Tram 5% 1955	74.00	76.00
Northwest. Utilities 7% 1938	90.00	95.00
Ottawa Valley Pwr. 5½% 1970	94.50	96.50
Quebec Power 5% 1968	87.00	90.00
Rio Tramways 5% 1935	84.00	86.00
Shawinigan W&P 4½% 1970	68.50	70.00
Shawinigan W&P 6% 1937	81.00	86.00
Shawinigan W&P 5% 1970	78.50	81.00
Southern Can. Pwr. 5% 1955	93.00	95.00
West Kootenay Pwr. 5% 1956	88.00	92.00
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	97.00	97.50
C.N.R. 4½% 1957 Dom. Gtd.	96.75	97.50
C.N.R. 5% 1969 Dom. Gtd.	103.50	104.00
C.P.R. 4½% 1944	77.00	80.00
C.P.R. 5% 1954	92.50	95.00
C.P.R. 6% 1942	92.00	94.00
Dom. of Can. 5% 1936	100.50	101.00
Dom. of Can. 5% 1941	100.75	101.25
G.T.P. 3% 1962 Dom. Gtd.	76.00	77.00
G.T.P. 4% 1962 Dom. Gtd.	89.00	91.00
Ont. Hydro 3½%, 4%, 5½ 1952 Ont. Gtd.	85.00	87.50
Ont. Hydro 4¾ 1970 Ont. Gtd.	95.00	97.00
Ont. Hydro 4% 1957 Ont. Gtd.	89.00	91.00
Prov. of N. B. 5½% 1950	99.50	101.00
Prov. of Ont. 4½% 1944	100.00	101.00
Prov. of Ont. 5% 1948	100.00	100.50
Prov. of Ont. 5½% 1947	104.00	104.50

Listed Bond Quotations

Week Ending Dec. 5, 1932

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.§	5	1953	...	15				
Asbestos	5	1942	...	21	...	...	46	19¼
Do., 1st mtge.	6	1941	...	5¼	...	...	65½	49
Do., gen. mtge.	6	1956	...	...	...	...	*20	14
Can. Cons. Rub.	6	1946	...	...	...	...	*9	...
Can. Cottons	5	1940	...	...	...	...	*69¾	...
Can. Forgings	6	1942	...	...	...	...	*91	90
Can. Locomotive	6	1951	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	‡96	...
Do. (Way. Ser.)	5½	1958	...	...	...	...	7	5
Can. S S debs.	5	1943	7.80	80	...	...	*28½	5¼
Cedars Rapids	5	1953	5.52	...	...	...	83¾	...
Dom. Canners	6	1940	...	...	...	...	101	95
Dominion Coal	5	1940	...	...	...	...	‡103	...
McNish	6	1948	...	31	35	33	50	33
Mex. L. & P.	5	1940	...	†3.30	96½	...	3.50	1.00
Mont LH&P deb.	3	1939	...	46	...	...	*73½	70½
Mont. Tr. 1st mtg.§	5	1941	5.20	89	40¾	89	44	35
Mont. Trams. "A"§	5	1955	6.45	93	...	...	98⅝	90½
Do., G. & Ref. "B"				75	...	...	85½	69½
Do., "C"	5	1955	7.45	...				
Do., "D"	4½	1955	6.43	71½	...	...	79¾	78¾
N. S. Steel	5	1955	5.62	...	...	...	77¼	77
Ontario Steel	5	1959	...	†78	...	...	81	78
Porto R. P.	6	1948	5.94	...	...	...	*62⅞	59
Steel of Canada§	5	1936	...	...	...	...	100½	...
Wayagamack	6	1940	...	103	...	...	*93	88
Winnipeg Elec.§	6	1951	...	...	...	...	102¾	100½
Toronto	5	1935	...	75	...	...	*75	45
Canada Bread	6	1941	...	...			86	...
Steel of Canada	6	1940	...	...	...	...	*101½	100
Dominion Govt. Bonds (Montreal)							102½	...
War Loan§	5	1937	1.42	114.00				
Victory Loan	5½	1933	4.72	100.50	100.75	....	110.00	102.00
Do.	5½	1934	4.94	100.65	....	....	101.55	100.25
Do.	5½	1937	3.70	107.65	....	....	102.40	99.25
Do., refund	4½	1940	4.90	96.75	....	....	109.75	104.00
Do., refund	5	1943	4.82	100.75	....	....	98.25	91.50
Do., refund	4½	1944	4.94	95.50	....	....	102.50	95.38
Do., refund	4½	1946	4.86	95.50	96.00	....	96.75	89.50
Conversion Loan	4½	1956	4.68	94.25	96.25	....	96.25	91.50
Do.	4½	1957	4.58	94.25	....	....	91.50	88.25
Do.	4½	1958	4.66	95.25	....	....	90.50	88.50
Do.	4½	1959	4.76	96.25	....	....	99.37	88.50
Nat. Service Loan	5	1936	4.86	100.35	....	....	99.50	88.75
Do.	5	1941	4.86	100.50	....	....	102.25	96.25
					....	....	102.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.
§Payable in New York.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co.,
Canada Permanent Building, Toronto, Ont.
Week Ending Dec. 5, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct., 1958	1 Apr.	87.50	5.40
Alberta	5	1 July, 1943	1 Jan.	93.50	5.81
Alberta	6	1 Mar., 1947	1 Mar.	100.00	6.00
*British Columbia	4½	1 Oct., 1953	1 Apr.	87.50	5.51
*British Columbia	5	15 Jan., 1948	15 July	96.50	5.33
British Columbia	6	15 Feb., 1947	15 Feb.	100.00	6.00
*Manitoba	4	1 July, 1947	1 Jan.	80.00	6.05
*Manitoba	5	2 Dec., 1959	2 June	95.00	5.35
Manitoba	6	1 Apr., 1947	1 Apr.	100.00	6.00
*New Brunswick	4	1 June, 1948	1 June	90.00	4.93
*New Brunswick	4½	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	1 May, 1950	1 May	101.00	5.41
*Nova Scotia	4½	15 Nov., 1948	15 May	95.70	4.90
Nova Scotia	5	1 May, 1943	1 May	100.00	5.00
*Ontario	4½	1 Sep., 1944	1 Mar.	101.50	4.39
Ontario	5	15 Oct., 1948	15 Apr.	100.50	4.95
Ontario	5½	1 Feb., 1947	1 Feb.	104.25	5.08
P. E. I.	4	1 Apr., 1939	1 Apr.	93.70	5.15
P. E. I.	6	1 May, 1947	1 May	107.55	5.25
*Quebec	4½	1 May, 1961	1 May	98.00	4.37
Saskatchewan	4½	1 Oct., 1944	1 Apr.	85.00	6.30
Saskatchewan	5	1 Oct., 1950	1 Apr.	87.00	6.23
Saskatchewan	6	15 Mar., 1952	15 Mar.	94.50	6.50
*Newfoundland	5	31 Dec., 1952	31 Dec.	60.00	9.46
*Newfoundland	5½	1 July, 1939	1 Jan.	65.00	13.34
*Newfoundland	6½	30 June, 1936	30 Dec.	72.00	...
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	103.20	4.80
*Toronto	4½	1 Jan., 1955	1 June	95.90	4.80
*Vancouver	5	15 Jan., 1970	15 July	88.50	5.75
Winnipeg	5	1 Mar., 1941	1 Mar.	91.75	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	88.55	6.75
Calgary	5	1 Jan., 1943	1 Jan.	86.55	6.75
Halifax	6	1 July, 1951	1 Jan.	108.95	5.25
Saint John	5	15 Dec., 1950	15 Dec.	97.10	5.25

*Payable in New York.

Winnipeg Stock Exchange

(Transactions for week to Dec. 3)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Dec. 3
..	..	Bobjo	200	.08	.08	.08
7	11.5	Can. Pacific Rly.	32	15	15	15
20	8.9	Crescent Creamery pf.	1	61	61	61
..	..	Great West Life	3	225	225	225
50c	5.5	Hudson Bay Mining	100	4.00	4.00	4.00
..	..	Imperial Oil	35	9⅛	9⅛	9⅛
..	..	Prairies Cities Oil	20	1	1	1
60c	17	San Antonio	267	.65	.65	.65
1.25	12.5	Teck Hughes	50	3.52	3.52	3.52
..	..	United Grain Growers	39	11	10	10
7	11.7	Western Breweries	100	1¼	1¼	1¼
		Western Grocers pref.	23	60	60	60

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumb. pf.	..	80
Can. Fire Insur.	58	..
City Dairy 8% pf.	..	80
Home Investment	25	..
Monarch Life 10% paid	15	..
Pelissiers pref.	10	..
Nor. Can. Mtg. pf.	..	15
Northern Trust	..	25
Reliance Grain pf.	..	60

	Bid	Ask
Sovereign Life 25% paid	11	
Traders Bldg. Assn.	65	..
West. St. Prod., pf.	..	30
Can. Amer. Tr. shs.	..	2½
Fundamental Series "A"	..	3¼
Fundamental Series "B"	..	3⅜
Grouped Inc. shs.	3.35	3.45

*Stocks more active on other exchanges not included.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass pref.	7%	1¾%	Jan. 3	Dec. 15
Andian National (Coupon 8)	$2	$1	Dec. 15	Nov. 30
Associated Breweries	60c	15c	Dec. 31	Dec. 15
Do., pref.	7%	1¾%	Jan. 1	Dec. 15
Biltmore Hat pref.	7%	1¾%	Dec. 15	Nov. 15
Brit. Amer. Oil (coupon 11)	80c	20c	Jan. 3	Dec. 17
Bk of Nova Scotia	14%	3½%	Jan. 3	Dec. 16
Brazilian Traction, pref.	6%	1½%	Jan. 3	Dec. 15
Bell Telephone	$7	$1.75	Jan. 16	Dec. 23
B. C. Power "A"	$2	50c	Jan. 16	Dec. 31
Belding Corticelli pfd.	7%	1¾%	Dec. 15	Nov. 30
Canada Bread, 1st pref.	7%	1¾%	Jan. 2	Dec. 15
Canada Northern Power	80c	20c	Jan. 25	Dec. 31
Do., pref.	7%	1¾%	Jan. 16	Dec. 31
Canadian Oil pref.	8%	2%	Jan. 3	Dec. 20
Can. Perm. Mortgage	12%	3%	Jan. 3	Dec. 15
Canada Malting	$1.50	37½c	Dec. 15	Nov. 30
Can. Cottons pref.	6%	1½%	Jan. 4	Dec. 17
Can. Gen. Electric	$4	$1	Jan. 3	Dec. 15
Do., pref.	$3.50	87½c	Jan. 3	Dec. 15
Canada Trust	$10	$5	Jan. 3	Dec. 16
Can. Wire & Cable pfd.	6½%	1⅝%	Dec. 15	Dec. 5
Central Can. Loan	10%	2½%	Jan. 3	Dec. 15
Canadian Car, pref.	$1.75	44c	Jan. 10	Dec. 27
Can. Celanese pref.	$7	$1.75	Dec. 31	Dec. 17
Do., on arrears	...	$1	Dec. 31	Dec. 17
Consumers Gas	10%	2½%	Jan. 3	Dec. 15
Dominion Bank	$10	$2.50	Jan. 3	Dec. 20
Dominion Stores	$1.20	30c	Jan. 1	Dec. 15
Dom. Textile	$5	$1.25	Jan. 3	Dec. 15
Do., pref.	7%	1¾%	Jan. 16	Dec. 31
Dominion Glass	5%	1¼%	Jan. 2	Dec. 15
Do., pref.	7%	1¾%	Jan. 2	Dec. 15
Dom. Foundries pref.	...	$1.50	Dec. 1	Dec. 1
Eastern Trust	8%	2%	Jan. 3	Dec. 15
Gt. Lakes Power pref.	$7	$1.75	Dec. 15	Nov. 30
Hamilton United Th. pref.	7%	1¾%	Dec. 31	Dec. 15
Huron & Erie Mtge.	$8	$2	Jan. 3	Dec. 15
Halifax Fire Ins.	90c	45c	Jan. 3	Dec. 10
Imperial Tobacco, ord.	35c	8¾c	Dec. 31	Nov. 30
Inter. Petroleum coupon (35)	$1	25c	Dec. 15	Nov. 30
Do., pref.	$1	25c	Dec. 15	Dec. 1
Inter. Proprietaries "A"	$2.60	65c	Dec. 15	Nov. 25
Inter. Nickel, pref.	7%	1¾%	Feb. 1	Jan. 3
Landed Bank. & Loan	$8	$2	Jan. 3	Dec. 15
Lake Shore Mines	$2	50c	Dec. 15	Dec. 1
Do., extra	...	50c	Dec. 15	Dec. 1
Loew's London Theatres pfd.	7%	*5¼%	Dec. 31	Nov. 19
Maritime Telegraph	80c	20c	Jan. 3	Dec. 15
Do., pref.	70c	17½c	Jan. 3	Dec. 15
McColl-Frontenac c.	60c	15c	Dec. 15	Nov. 15
McColl Frontenac pref.	$6	$1.50	Jan. 14	Dec. 31
Mitchell, J. S., pref.	7%	1¾%	Jan. 2	Dec. 16
Montreal Loan & Mtge.	12%	3%	Dec. 15	Nov. 30
Montreal Cottons	6%	1½%	Dec. 15	Nov. 30
Do., pref.	7%	1¾%	Dec. 15	Nov. 30
Midland Loan & Savings	$1	50c	Jan. 3	Dec. 15
Mtl. City & D. Bank	$12	$3	Jan. 3	Dec. 15
Do., extra	...	$1	Jan. 3	Dec. 15
Noranda Mines	...	60c	Dec. 21	Dec. 3
National Biscuit	$2.80	70c	Jan. 14	Dec. 16
North Brit. Trust	..	1%	Dec. 15	Nov. 15
Northern Ont. Power	$2	50c	Jan. 25	Dec. 31
Do., pref.	6%	1½%	Jan. 25	Dec. 31
National Breweries	$1.60	40c	Jan. 2	Dec. 15
Do., pref.	$1.75	43c	Jan. 2	Dec. 15
National Sewer Pipe c.	60c	15c	Dec. 15	Nov. 30
Do., "A" com.	$2.40	60c	Dec. 15	Nov. 30
N.S. Light & Pr. c.	$4	$1	Jan. 3	Dec. 17
Ontario Loan & Deb.	12%	3%	Jan. 3	Dec. 15
Pioneer Gold (B.C.)	24c	6c	Jan. 2	Dec. 10
Petrol Oil & Gas	...	1c	Dec. 20	Dec. 1
Premier Gold	12c	3c	Jan. 3	Dec. 15
Reliance Grain, pref.	6½%	1⅝%	Dec. 15	Nov. 30
Royalite Oil	...	$1	Dec. 15	Nov. 30
Security Loan c.	$7	$3.50	Jan. 3	Dec. 15
Sherwin Williams pref.	7%	1¾%	Dec. 31	Dec. 15
Southern Can Power pref.	6%	1½%	Jan. 16	Dec. 20
Standard Steel, pref. "A"	$3	75c	Jan. 1	Dec. 15
Sylvanite Gold	4c	2c	Dec. 31	Nov. 30
Do., extra	...	½c	Dec. 31	Nov. 30
Shawinigan W. & Pr.	50c	13c	Feb. 15	Jan. 21
Siscoe Gold Mines	...	3c	Dec. 16	Nov. 30
Supertest Pete. "A" pfd.	7%	1¾%	Jan. 3	Dec. 15
Do., "B" pref.	6%	1½%	Jan. 3	Dec. 15
Do., com. & ord.	$1	25c	Jan. 3	Dec. 15
Toronto Mortgage	$6	$1.50	Jan. 2	Dec. 15
United Amusement A & B	$1.60	40c	Dec. 15	Nov. 30
Walker, Hiram, pref.	$1	25c	Dec. 15	Nov. 28
West. Can. Flour pfd.	6½%	1⅝%	Dec. 15	Nov. 30
Wright Hargreaves	10c	2½c	Jan. 3	Dec. 15
Do., extra	...	5c	Jan. 3	Dec. 15

*For the three-quarters of the year ending Dec. 31, 1931.

Dividends Passed or Deferred:
Consolidated Sand. pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.
Standard Paving, pref., Feb. 15, to be deferred. Last paid 50c. Nov. 15, 1932.
Willard's Chocolates, pref., payment due Dec. 1, deferred. Sept. 1, payment rescinded. Last payment 1¾% June 1, 1932.

Dividend Rate Reduced:
National Sewer Pipe com. Dec. 15, reduced from 30c to 15c quarterly.
Halifax Fire Insurance Jan. 3, reduced from 60c to 45c semi-annually.

Dividend Rate Increased:
Pioneer Gold (B.C.) Jan. 2. Increased from 3c to 6c quarterly.

Extra Dividends:
Sylvanite ½c. Dec. 31.
Lake Shore Mines 50c. Dec. 15.
Montreal City & D. Bank, $1 Jan. 3.
Wright Hargreaves, 5c Jan. 3.

Active Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
December 6, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar Com.	.35	.70
Acadia Sugar Pfd.	2.70	
Acme Farmers Dairy Pfd.	63.00	66.00
Acme Glove Pfd.	65.50	70.00
Acme Glove Pfd. bonus Com.	65.50	70.00
Allens Beach Pfd. bonus Com.	31.50	
Allens College Pfd. bonus Com.	31.50	
Allens London Pfd. bonus Com.	31.50	
Allens St. Clair Pfd. bonus Com.	31.50	
Allens St. Cath. Pfd. bonus Com.	31.50	
Allens Toronto Pfd. bonus Com.	15.75	
Andian National Corp.	20.25	23.00
B. C. Pulp & paper Pfd.	4.75	8.00
Burns Pfd. bonus Com.	5.00	6.00
Canada & Dominion Sugar	20.25	21.25
Canada Machinery Com.	2.00	4.00
Canada Machinery Pfd.	11.25	20.00
Canada Packers Com.	10.50	12.50
Canada Packers Pfd.	67.50	70.00
Canada Tea Pfd.	48.25	53.00
Canada Wire & Cable Pfd. W.W.	72.50	74.00
Can. Industries Com. "A"	74.00	77.00
Can. Industries Com. "B"	70.00	73.50
Can. Industries 7% Pfd.	112.00	114.00
Can. Westing.	36.00	38.25
Chase, A. W. Units	16.00	
Canada Starch Pfd.	62.00	68.00
Claude Neon Gen. Adv. Units	17.00	20.00
Claude Neon Gen. Adv. Com.	1.00	1.50
Dom. Foundries & Steel Pfd.	65.00	70.50
Dom. Foundries & Steel Com.		5.00
Dom. Manufacing Pfd.	60.00	70.00
Dunlop Tire 7% Pfd.	42.00	44.50
Eastern Dairies Ltd. Pfd.	60.50	64.00
Edmonton Stockyards Units		52.00
Federal Grain Pfd.	30.50	35.00
Gen. Steel Wares Pfd.	5.25	7.00
Goderich Elevator & Transit	7.50	8.25
Greening Wire 7% Pfd.	63.00	66.00
Guardian Realty Pfd.	16.50	23.50
Guelph Carpet Pfd. bonus Com.	69.00	72.00
Guelph Carpet Com.	4.25	
Inter City Baking Com.		24.00
Inter. Proprietaries "A"	24.00	24.50
Langleys Pfd.	27.00	35.00
Loew's London Com.	.35	.75
Loew's London 7% Pfd.	3.50	4.00
Maple Leaf Gdns. Pfd. bonus	2.75	3.25
Massey Harris Pf.	13.50	15.00
Mount Royal Hotel Com.	.25	.50
Mount Royal Hotel Pfd.	4.50	5.50
National Grocers Com.	.60	1.35
National Grocers 2nd Pfd.	36.50	41.00
Neilson, Wm. Com.	4.25	
National Sewer Pipe Com.	6.50	
Provincial Paper 7% Pfd.	35.00	40.00
Reliance Grain Pfd.	55.00	60.00
Rolland Paper Pfd. W. W.	30.75	33.00
Standard Clay Products Com.	12.00	16.50
Standard Fuel Pfd. bonus	56.00	58.00
Supertest Petroleum "B"	16.75	20.00
Toronto Brick Pfd.		39.50
Toronto Carpet 8% Pfd.		85.50

Industrial Stocks:	Bid	Asked
Toronto Elevators 7% Pfd.	73.00	75.50
Western Grain Pfd. bonus		26.00
Willards Chocolates Pfd.		22.00
Insurance Stocks:		
British American Assce.	30.00	40.00
Canada Life Ass.	340.00	390.00
Can. Fire Ins.	55.50	60.00
Confederation Life 20% pd.	134.00	140.00
Continental Life 20% pd.	39.50	50.00
Crown Life Ins.	85%	100%
Dominion Fire Ins.	91.50	100.00
Dominion Life 50% pd.	229.00	275.00
Dom. of Can. Gen. Ins.	105.00	125.00
Excelsior Life 30% pd.	80.25	85.00
Federal Fire 25% pd.	29.25	33.00
Fidelity Ins. of Can.		68.00
Great West Life Assce.	225.00	240.00
Guarantee Co. of N. A.	196.00	220.00
Halifax Fire Ins.	9.75	11.75
Imperial Life Assce.	246.00	258.00
Mfrs. Life Ins.	226.00	235.00
Monarch Life 10% pd.	16.00	18.00
National Life 25% pd.	65.25	70.00
Saskatchewan Life 10% pd.	10.00	16.00
Sovereign Life 25% pd.	16.00	20.00
Sun Life Assurance	270.00	295.00
Western Assurance Com.	14.25	20.00
Western Life 20% pd.	7.25	
Trust and Loan Stocks:		
Can. Gen. Invest. Ltd.	3.15	3.30
Chartered Trust	62.25	64.00
Debenture & Sec. Pfd.		17.00
Eastern Can. Sav. & Loan	108.00	115.00
Eastern Trust	141.00	150.00
Guelph & Ont. Inv. par $50	40.00	50.00
Investment Foundation Units	17.00	20.00
Lambton Loan & Savings	50.50	56.00
London & Western Trust	83.25	86.00
Mortgage Discount Pfd.	2.25	2.75
Mutual Finance Pfd.		2.25
Premier Trust	85.25	88.00
Provincial Bank	95.00	100.00
Security Loan & Savings	95.00	103.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	52.00	56.50
Traders Finance Com.	.50	1.00
Traders Finance Pfd.	20.00	22.00
Trusts & Guarantee	52.00	55.00
Victoria Trust & Savings	170.00	
Waterloo Trust & Savings	104.00	
Power Issues:		
B. C. Elect. Pwr. & Gas Pfd.	87.00	89.00
Calgary Power 6% Pfd.	65.50	67.50
Can. Light & Power Com.	15.00	18.00
Can. West. Nat. Gas LH&P Com.	16.50	23.00
Can. West. Nat. Gas LH&P Pfd.	67.00	69.00
Great Lakes Pwr. Pfd.		64.00
Maritime Tel. & Tel. Com.	9.50	10.75
Maritime Tel. & Tel. Pfd.	10.25	11.75
N. B. Telephone Com.	7.25	8.25
Nova Scotia L&P Pfd.	66.00	72.00

Recent London Quotations:

Brewer distillers	4s. 3d.
Can. & For. sec.	3s. 9d.
Can. West. Lumber	9d.
Hudson's Bay	20s.
Do., 5 per cent	72s. 6d.
Internat. Holdings	31%
Nfld. Pr. & Pap. deb. stock "B"	100
Trust & Loan of Can.	2s. 6d.

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RELIEF GOODS MASS BUYING PLAN DEVISED

Central Warehouse Now Can Supply Clothing to Municipalities

MERCHANTS OBJECT

Continuation of Depression Has Used Up Old Clothes Supplies Forcing Purchases

Clothing of all kinds, for use by Ontario municipalities in distribution of relief, is now being furnished through a Central Supply Warehouse in Toronto. The plan of operation of the warehouse involves mass purchase of suitable goods direct from manufacturers, at the lowest possible price, and sale of such goods to the municipalities at no additional cost, except the overhead charges of operating the warehouse, estimated at five per cent of the factory prices. This plan it is hoped may save municipalities one-third of their cost of such goods.

The need for such unused clothing for relief purposes has arisen largely from the scarcity of used garments due to the continuation of the current depression, and because of greater need. The change in the public notion of what constitutes old clothing has also resulted in a decreased quality and quantity of material available to relief organizations free. This scarcity of supplies has forced municipalities and relief organizations into the open market for clothing. The creation of the Central Supply Warehouse is the result of unsatisfactory phases of open market purchases of clothing by such organizations.

Bought From Retailers

Local relief organizations and municipalities, who are financed one-third by themselves, one-third by the provincial and one-third by the federal governments, have formerly made most of their purchases of clothing from their local wholesalers or retailers. The gross profits of such supplies have been estimated at from 10 to 57 per cent over their cost on goods sold to the municipalities. It is also known that jobbers and wholesalers have enjoyed profits in the case of purchases from retailers. Thus municipalities have been paying two profits on some purchases. It is expected that the central warehouse will eliminate this by direct purchase from manufacturers.

In many cases, it is thought, the central warehouse will be able to purchase direct from manufacturers at lower prices than many retailers can from the same sources. Leading large retail organizations can, of course, obtain the lowest prices. Due to this advantage of the central warehouse over small retailers, it is expected that the selling prices of the warehouse to municipalities, with the addition of a five per cent operating charge, will be lower than those at which ordinary retailers could buy their own goods, as a general rule.

Retailers' Position

It is thought by the sponsors that this plan will not be a blow to retailers as far as their regular business is concerned. Recipients of relief, it is claimed, would not be customers in any event, and the savings to community treasuries are of more importance to the communities as a whole than profits of retailers from sales of relief goods. Operaters of the warehouse estimate that a saving of one-third to municipalities should result from operation of centralized buying through the central warehouse This would amount to about $1,000,000 per annum in Ontario where such purchases approximate $3,000,000 per annum. Expenditures on clothing for relief throughout Canada amount to $15,000,000 per annum. If such savings are realized they could either be used to reduce taxation for relief purposes or to benefit more of those in needy circumstances, the sponsors of the plan state.

Many retailers have voiced objections to such plans for supplying relief goods. They feel that their local relief organizations should patronize their own merchandisers and allow them a reasonable profit on the business. At a recent meeting in Toronto, retail grocers objected to that city's policy of purchasing supplies of food for relief purposes at wholesale prices, thereby diverting the trade and possible profits from retail dealers. On the other hand, several large food selling organizations have made voluntary free contributions to relief supplies of stale or unmarketable supplies to municipalities in Ontario. However, those merchandisers who have been obtaining part of the relief purchase business will hardly welcome the advent of the Central Warehouse plan.

The Central Supply Warehouse has been organized through cooperation of J. A. Ellis, secretary of the Ontario Unemployment Relief Fund, the provincial government, and R. P. Sparks, president, and T. W. Learie, secretary of the Canadian Association of Garment Manufacturers. It has on hand woollen and knit goods, cotton clothing and underwear, boots and shoes and other essential articles of apparel. Letters have been sent to municipalities offering such goods for sale with price lists attached.

Not Obligatory

Municipalities are not obliged to purchase their supplies of clothing from the Central Supply Warehouse. However, representatives of large cities, who have investigated the prices quoted and the goods available, consider that the warehouse is offering merchandise at lower prices than they have paid previously, even when making direct purchases from manufacturers.

Correspondence was entered into with some 550 Canadian manufacturers in preparing the list of goods held in the warehouse, and some 150 of these submitted samples. A selection was made by an experienced technical staff with the requirements of municipalities in view. A staff of ten is being maintained in the warehouse which is divided into four departments, with experienced men in charge of each.

The following are examples of prices shown on the latest list issued by the central warehouse:

Price Quotations of Central Supply Warehouse to Municipalities

		Per doz. $
Men's wear:		
Striped Cottonade trousers		9.50
Wool and cotton tweed trousers		14.25
Extra heavy tweed trousers		21.00
Chambray work shirts		6.25
Cotton print shirts		8.25
Grey flannel shirts		10.25
All-wool socks		1.45
Extra heavy all-wool socks		2.10
Heavy wool coat sweaters		10.65
Suits, 3-piece, all-wool tweed,	each	8.00
Fleece lined combinations		10.65
All-wool combinations		15.85
Black leather boots	pr.	1.80
Women's wear:		
Cotton dresses		8.00 to 12.00
All-wool skirts		9.00 to 30.00
Cotton combinations		5.50 to 7.00
Cotton hosiery		2.10
Black leather oxfords	pr.	1.85

MOTOR INDUSTRY IS NOW PLANNING NATIONAL SHOW

Production of Leading Makes is Already Under Way

Canadian automobile manufacturers are now preparing for the National Motor Show to be held in Toronto, Jan. 14 to 21 next. The trade is also weighing the possibilities for sales in 1933, and it is felt that the absence of the unfavorable financial fears of the early part of 1932 may encourage purchasers. In this connection the slightly better seasonal sales record for the latter part of 1932 is noted.

A factor unfavorable to sales is the unquestioned decline in public purchasing power since the first of 1932. It is to meet this trend that the industry is preparing to offer the new models at prices which, it is hoped, will partially offset this factor.

Replacement Demand

Sales plans of the industry will partly depend on the replacement demand that has been created during the last three years of deferring purchases. The question is what portion of this potential market can be brought into the market in 1933 by greater values under present depressed conditions?

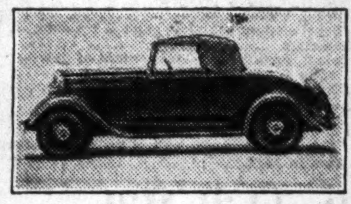
There is no doubt that this replacement demand will make itself felt strongly when business conditions eventually improve, but the present interest is in its possibilities for next year.

Early production schedules will be set below those of the 1932 season. In this respect the manufacturers are heeding the lessons of recent years when excessive stocks of cars were left in dealers' hands.

Production Under Way

Production of leading makes of automobiles is now under way in Canada. Some of the new 1933 cars are already on display, some are due to appear in the immediate future, and others will not come out until Jan. 14 when the Motor Show opens at Toronto.

The new Plymouth six is now being shown and sold by dealers throughout Canada. Other Chrysler models are expected to make their appearance some time between Dec. 15 and Dec. 25.



Plymouth "6" Convertible Coupe

General Motors has given dealers and sales forces in Eastern Canada their first glimpse of the new Chevrolet, Buick and Pontiac cars, which are to come on the market in the next two weeks. It is expected that first displays of the Chevrolet will be made about Dec. 12, and that the Buick will first be viewed by the public about Dec. 16. Information received from car owners in a recent advertising campaign has been taken into consideration in designing some of the new features of these cars.

Dominion Motors will continue its present Frontenac line for the coming season in its present models, but there will be alterations in the Durant lines. Both fours and sixes of the Durant models are now in course of production, but no details are available on them. It is not expected that they will make their public appearance until the Motor Show opens on Jan. 14.

Ford Plans Unknown

Plans for the 1933 Ford models are as usual mysterious. No definite details have been released, and it is unlikely that the new cars will be shown until January at the earliest. There has been no indication of radical changes in the 1933 Ford line such as the introduction of the eights this year. It is probable that the company will carry on with present style of motors, but that some change will be made in body design.

TORONTO ELEV. PROFIT HIGHER BUSINESS GOOD

Earned $5.02 Per Share on Common; $4.02 Was Earned in 1931

HAS MORE GRAIN

Big Increase in Inventories and Bank Loan; Working Capital Higher

Earnings of Toronto Elevators, Ltd., in the year ended September 30, 1932, were higher than in any preceding year in the company's history and, after provision for fixed charges and payment of preferred dividends, earnings amounted to $5.02 per share on the 25,000 shares of common outstanding as compared with $4.02 per share in 1931. Surplus account was increased by $119,191 to $376,972.

The income and surplus account for the past two fiscal years shows very slight increase in depreciation allowance, a decrease in interest charges and a substantial increase in income tax. Figures are as follows:

CONS. INCOME AND SURPLUS ACCOUNT
Years Ended Sept. 30

	1932 $	1931 $
Net earnings	380,633	349,532
Less: Deprec.	85,854	85,026
Interest	37,340	38,366
Prov. for inc. tax	26,748	20,650
Net profit	230,691	205,490
Less appropriations: Pref. divds.	105,000	105,000
Surplus	125,691	100,490
Add: Prev. surplus	257,781	170,091
Less: Add. prov. for doubtful debts	....	10,000
Add. prov. for inc. tax	6,500	2,800
Bal. carried fwd	376,972	257,781

Working capital position has been substantially improved although inventories have been enlarged and the company shows a bank loan of $1,565,000. Current assets include cash at $103,871, accounts and bills receivable at $306,459, grain and feed inventories at market value of $1,253,325 and grain purchased on joint account of $660,728. In addition to the bank loan, current liabilities include $193,320 owing on grain purchases, accounts payable of $31,440, interest and principal coming due on City of Sarnia loan and notes payable at $71,473; income tax provision of $35,500; reserve for exchange, $11,933 and preferred dividend payable of $26,250.

The working capital position of the company for the past two fiscal years is shown as follows:

Working Capital

	1932 $	1931 $
Current assets	2,360,911	588,368
Current liabs.	1,934,916	299,110
Working capital	425,995	289,258
Ratio	1.22—1	1.97—1

Fixed assets of the company are carried at $2,241,130 after deduction of depreciation reserve amounting to $317,888. During the year there was a net increase of $35,092 in fixed assets and facilities for the handling of transfer grain were improved. Other assets include accrued and prepaid expenses of $17,266 and seat on the Winnipeg Grain Exchange at $7,600. Deferred liabilities on account of Sarnia loans are down to $695,020 from $723,061. There remains outstanding 15,000 shares of $100 par value preferred stock and 25,000 shares of no par value common stock.

The company operates a 2,000,000 bus. capacity elevator at Toronto and a 3,000,000 bus. elevator at Sarnia. Earnings are derived from the merchandising of the company's own grain, from trading, storage and the operation of its feed plant. Grain stored at the present time is stated to be 25 per cent more than the amount stored in 1931. Some 16 grain carriers with cargoes aggregating 2,000,000 bus. are tied up for the winter near the Toronto elevator.

NEW TRUCKS HAVE FOUR WHEEL DRIVE

Kitchener Firm Constructs Models of 2 to 10 Ton Capacity

A new complete line of heavy trucks operating on a fourwheel drive has been announced by the Four Wheel Drive Auto Co. of Kitchener. The models range from two to ten tons capacity. All incorporate the basic four wheel drive with refinements to suit their respective fields of use, according to Bus and Truck Transport in Canada.

Model CU6 has a six cylinder motor and seven bearing crank shaft with unit rated at 91 h.p. of the L-head type. Five forward speeds and one reverse provide a speed of 32 m.p.h. in a 7.35 to 1 ratio. Optional ratios give up to 41 m.p.h. Standard wheelbases are 159, 169 and 179 inches.

Model X6 is a six-wheeler with capacity from six to ten tons and is designed for heavy hauls in the fast freight service. It is powered in the front and first rear axles, and only the extreme rear axle is load-carrying. It is powered with 110 h.p. six-cylinder engine.

The cabs on these two models are of the aero-dynamic type with internal sun-visors, a redesigned dashboard with airplane style instruments and incorporate many of the appointments of a passenger car.

Course in Foreign Trade Given By Toronto School

A special lecture course in export trade is being offered by the Central High School of Commerce, Toronto, sponsored by the Canadian Manufacturers' Association and the Canadian Export Club. The lectures will be given each Tuesday evening for the next three months.

The course will include Commercial Geography, Financing Foreign Trade, Exchange, Documents of Foreign Trade, Trade Agreements, Tariffs, Marine Insurance and Trade Routes. The list of speakers includes R. W. Chisholm of Massey-Harris Co., Prof. Parkinson, University of Toronto, H. W. Cheney, Dept. of Trade and Commerce, Ottawa, Wm. Gilchrist, Commercial Intelligence Service, Ottawa, and F. W. Morgan, Royal Bank of Canada.

Paper Exports Show Decline

Canada's exports of paper and manufactures of paper amounted in value to $7,036,889 in October, compared with $5,633,443 in September, and $9,022,072 in October, 1931. The export for the twelve months ending October was valued at $91,317,194, as against $116,391,438 in the previous twelve months.

CANADA MALTING EARNINGS HOLD AT 1931 LEVEL

Proportion of Reserves Up; Shares Earned $1.39 in 11 Mos.

CASH IMPROVED

Reduction of Inventories, Payment of Bank Overdrafts Improves Liquid Position

Canada Malting earned $1.39 per share during the 11 months ended July 31, 1932, as compared with $1.51 per share in the previous 12 months. During the last fiscal period only three quarterly dividend payments came due and the company was able to show an increased surplus but earnings were not sufficient during the period to cover the current dividend rate of $1.50 per share annually after deduction of fixed charges. Provision of $100,000 for depreciation was equal to the reserve set aside in the 12 months ended Aug. 31, 1931, and Dominion income tax was slightly higher. On an average monthly basis net earnings were higher than in 1931.

The income and surplus account of the company for the past two fiscal periods is as follows:

INCOME AND SURPLUS ACCOUNT

	Year ended July 31 1932 $	Year ended Aug. 31 1931 $
Net earnings	404,550	428,003
Less: Depreciation	100,000	100,000
Res. for income tax	28,150	27,289
Net profit	276,400	300,714
Less appropriations: Dividends	223,887	298,518
Surplus for year	52,513	2,196
Add: Previous surplus	264,757	262,561
Bal. carried forward	317,270	264,757

Liquid position of the company has been improved and inventories are down to $1,002,448 from $1,434,254 shown last year, while cash is shown at $85,900, call loans at $225,000 and accounts receivable at $359,621. Bank overdrafts which have appeared for the past two years have been paid off, accounts payable are down to $30,013 from $76,310 and income tax reserve is shown at $25,000. Through reduction in current liabilities the ratio of current assets to current liabilities has been largely increased. Working capital position at the end of the past two fiscal periods is as follows:

Working Capital

	1932 $	1931 $
Current assets	1,672,969	1,807,690
Current liabilities	55,013	270,104
Working capital	1,617,956	1,537,586
Ratio	30.41—1	6.69—1

Fixed assets are carried at $3,882,776 after reserve of $522,979 for depreciation additions during the year amounting to some $69,000. Grain exchange seats are carried at $17,200 and deferred charges are slightly higher at $38,974. There remains outstanding 198,972 shares of no par value stock valued at $5,239,636 to which value is added surplus of $317,271.

PROTECT C. P. R. PLEA OF PRESS; SCORE REPORT

(Continued from page 9)

transcontinental system, carried out with unprecedented faith and enterprise, assured for all time the success of the Canadian Confederation."

Don't Wreck C. P. R."

The St. Thomas Times-Journal bluntly states:

"The Canadian Pacific claim is so strong it does not seem possible that the government can embody this compulsory arbitration clause in its bill without admitting that it is doing the railway and its shareholders a rank injustice."

"Don't wreck the C. P. R.," is the terse headline of the Welland Tribune and Sarnia Observer editorials which consider the C. P. R. the most creditable commercial institutions Canada has produced, while the Halifax Herald admits:

"In fairness to the Canadian Pacific Railway, the parliamentary committees will be meeting the public desire if they give earnest and full consideration to the representations made by Mr. Beatty in behalf of Canada's greatest taxpayer."

Pointed is the comment of the Quebec Chronicle-Telegraph which says: "Mr. Beatty is right" and adds "Co-operation is the only remaining alternative but we repeat that to secure it by compulsory arbitration will be an unconstitutional invasion of the liberty of the subject."

No Guarantee Wanted

In the opinion of the Toronto Telegram: "The country is not prepared at the present time to undertake to guarantee C. P. R. securities as the price of imposing a measure of control upon that railway," and the Regina Star states: "The C. P. R. management would be neglectful of its duty were it to permit the jurisdiction over matters that are essential to its stability to pass into the hands of a body over which it has no control without protest."

The Victoria Times says:

"The less government interferes with the internal operations of legitimate industry at this time the better it is for all concerned. As long as there is no amalgamation of the two major transportation systems of this country and the development of a railroad monopoly, the Canadian public probably will prefer the railroad men of both systems to settle railroad differences in a strictly railroad way."

"Logic as Well as Right"

The Vancouver News urges that Mr. Beatty's contention "is a reasonable one" and the St. Catharines Standard adds that "he has logic as well as right in his contention."

No doubt is left as to what the Calgary Herald means when it says:

"The Herald believes that the rights of 180,000 investors in the Canadian Pacific enterprise should be recognized by Parliament, and that Mr. Beatty's objections to the arbitral board proposal are thoroughly sound. The creation of a one-man oligarchy to interfere in the control of a private company should not be considered."

Less emphatic is the statement of the Saint John Telegraph-Journal that "Mr. Beatty's objection has particular reference to the rights and interests of the company's shareholders, but it applies with equal force to the rights and interests of the general public."

"Threatens Independence"

"That President Beatty has put up a strong case against the threatened infringement of the independence of his railway company, which has been for fifty years maintained under the guarantee of the Dominion, no one can deny," says the Fort William Times-Journal.

The Stratford Beacon-Herald gives Mr. Beatty's views full editorial coverage without approving them, although it says: "It is not possible to urge that there is no point in what Mr. Beatty has to say," and asks Mr. Beatty to remember that the C. P. R. "came into possession of vast amounts of public property and public natural resources during its period of construction."

Opposes Political Control

The Sault Ste. Marie Star doesn't like the C. P. R. to be put under political control and thinks it might be better to try running the C. N. R. the way the C. P. R. is run. The Vancouver Province suggests suspending the arbitral tribunal to see if the two roads can not work better together in the future than in the past.

The Vancouver Sun thinks that an attempt should be made now to value C. P. R. shares so that the shareholders will know what they are going to get if politics is to be allowed to bankrupt the road.

The Toronto Globe and the Manitoba Free Press continue to support the proposal for an arbitral tribunal.

Why No Better Report?

The Edmonton Bulletin, the Calgary Albertan and other papers are critical of the Duff Commission for failing to bring in a worth-while recommendation for the consideration of Parliament. One typical view is that "The commission should have had the courage to dwell upon the seriousness of the situation and its full implications, and to have brought in more specific, more drastic and more constructive recommendations."

Mining Stock Quotations

Week Ending December 5

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close Nov. 28 (or last)	High for week	Low for week	Close Dec. 5
1	.06	.02½	Abana	.....	.03	.....	.....	.....
1	.03	.00½	Aconda	.....	.01	.....	.....	.....
No	.15	.15	Aldermac	.....	.15	.....	.....	.....
1	.09	.00¼	Alexandria	12,600	.01½	.01½	.01½	.01½
No	.20	.03	Algoma	8,300	.03½	.04½	.03	.03½
1	.01½	.00½	Algonquin	3,000	.00½	.00½	.00½	.00½
1	.01½	.00½	Amity C.	.....	.00½	.....	.....	.....
No	.36	.06	Amulet	1,085	.15	.17	.15	.15
1	.00½	.00½	Apex	1,000	.00½	.00½	.00½	.00½
1	.04	.01	Area	.....	.02½	.....	.....	.....
No	.03½	.00½	Arno	346,000	.02½	.03½	.02	.03½
1	.73	.65	Ashley Gold	1,620	.70	.75	.69	.69
1	.02½	.02	Astoria Rouyn	.....	.02½	.....	.....	.....
1	.07	.01	Bagamac	1,000	.02	.02½	.02½	.02½
1	.01½	.00½	Baldwin	7,000	.01	.00½	.00½	.00½
1	.12	.03	Barry Hollinger	103,750	.07½	.10½	.08	.09½
No	1.45	.30	Base Metals	350	.70	.70	.65	.70
No	.12	.01	Bidgood	10,600	.01½	.01½	.01½	.01½
1	.21	.04	Big Missouri	1,600	.12½	.13	.11	.11
1	.11½	.02	Bobjo	26,900	.08½	.09½	.08	.08
1	.23	.02½	Brett Trethewey	4,900	.14	.14½	.14	.14
No	.03	.00½	Brownlee	1,500	.01½	.01½	.01½	.01½
1	.01	.00½	Buckingham	.....	.00½	.....	.....	.....
No	.36	.02	Buffalo Can.	3,500	.02½	.02½	.02½	.02½
No	.04	.01	Bunker Hill	1,000	.01½	.01½	.01½	.01½
5s	1.03	.10	B'Wana McKubwa	.....	.80	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	.....	.01	.....	.....	.....
No	.04	.02	Canam Metals	.....	.02	.....	.....	.....
1	.04	.01½	Can. Kirkland	20,150	.03	.03½	.02½	.03
No	.02½	.00½	Capital Rouyn	.....	.00½	.....	.....	.....
1	.07	.02½	Cartier Malartic	5,000	.02½	.03½	.02½	.03½
1	.21½	.09	Castle Trethewey	600	.17½	.16½	.15	.16½
1	.09½	.04	Cen. Manitoba	5,200	.07	.08	.07	.07½
1	.17	.02	Cen. Patricia	1,250	.13	.13	.11	.11
No	.07½	.01	Chibougamau Pros.	.....	.04	.....	.....	.....
No	.02	.00½	Clericy	3,500	.01½	.01	.01	.01
5	5.00	.45	Coast Copper	110	2.50	2.50	2.45	2.50
1	.02½	.00½	Cobalt Contact	.....	.01½	.....	.....	.....
No	.16	.15	Cobuc	.....	.15½	.....	.....	.....
1	.14	.03	Columario	5,000	.09½	.09½	.07½	.07½
5	2.00	.69	Coniagas	.....	2.00	.....	.....	.....
No	.50	.23	Coniaurum	500	.30	.24	.24	.24
25	102.00	25.00	Cons. Smelters	1,276	62.50	64.00	60.00	61.00
No	14.25	9.00	Dome Mines	4,620	14.10	14.15	13.55	13.90
No	.10	.02	Dom. Explorers	2,500	.03½	.03½	.03½	.03½
	.00½	.00½	Dominion Kirk.	.....	.00½	.....	.....	.....
1	.04	.00½	Don Rouyn	.....	.01½	.....	.....	.....
	.04	.02½	Duparquet	.....	.02½	.....	.....	.....
1	1.60	.76	Eldorado	7,050	1.26	1.33	1.23	1.25
No	2.40	.47	Falconbridge	1,695	1.76	1.76	1.65	1.68
1	.04	.00½	Federal	18,000	.01	.01½	.01	.01½
No	.00½	.00½	Flintoba	.....	.00½	.....	.....	.....
No	.07	.00½	Gem. Lake	.....	.01½	.....	.....	.....
1	.03	.00½	Goldale	8,000	.02½	.02½	.02½	.02½
10	.24	.05½	Goldfield	.....	.15	.....	.....	.....
1	.00½	.00½	Gold Hill	.....	.00½	.....	.....	.....
1	.04	.02	Goodfish	500	.03	.02	.02	.02
1	.03½	.00½	Graham	1,000	.01½	.00½	.00½	.00½
1	1.25	.50	Granada	60,360	.86	1.08	.86	1.04
1	.22	.05	Grozelle	.....	.05	.....	.....	.....
1	.03½	.01	Harker	.....	.01	.....	.....	.....
1	.01½	.00	Hilltop	3,500	.00½	.00½	.00½	.00½
5	5.80	4.25	Hollinger	7,600	5.65	5.75	5.55	5.55
1	.72	.26	Howey Gold	28,475	.57	.59	.55	.56
No	5.30	.92	Hudson Bay	805	4.00	4.00	3.60	3.70
No	.36	.13	Huronian	.....	.34	.....	.....	.....
No	13.50	4.00	Int. Nickel	12,850	9.25	9.37	8.62	9.00
1	.01½	.00½	Jackson Manion	500	.00½	.00½	.00½	.00½
1	.25	.19	Keeley	1,000	.24	.22	.22	.22
1	.02½	.00½	Keora Mines	22,500	.02	.02½	.02½	.02½
1	.70	.40	Kirk. Hud. Bay	4,200	.50	.50	.47	.50
1	.02½	.00½	Kirk. Hunton	.....	.00½	.....	.....	.....
1	.55	.19	Kirkland Lake	8,180	.30	.32	.27	.29
1	.03½	.00½	Kirkland Premier	1,000	.02½	.01½	.01½	.01½
1	.15½	.05	Kirk. Townsite	5,500	.11	.11	.10	.10
20c	.01½	.00½	Koot. Florence	.....	.00½	.....	.....	.....
1	.01½	.00½	La Rose	.....	.01½	.....	.....	.....
1	.41	.10	Lakeland	.....	.15	.....	.....	.....
	.29	.10	Lake Maron	25,700	.18	.20	.12½	.14
1	34.00	24.90	Lake Shore	11,854	33.25	34.00	32.00	33.60
1	.00½	.00½	Laval	.....	.00½	.....	.....	.....
1	.07	.01½	Lebel Oro	34,500	.03	.03½	.03	.03½
1	.41	.13	Macassa	25,000	.20	.21	.16½	.19½
1	.07	.02½	Malartic	5,600	.04½	.04½	.04	.04½
1	.04	.00½	Malrobic	39,900	.01½	.01½	.01	.01½
No	.08	.02	Mandy	.....	.04	.....	.....	.....
No	.02	.00½	Manitoba Basin	167,000	.01½	.01½	.01½	.01½
5	24.75	14.70	McIntyre	7,742	23.90	24.20	22.75	23.50
1	.35	.25	McKinley	137	.33	.34	.34	.34
No	.09½	.02½	McLeod River	18,500	.02½	.03	.02½	.02½
No	1.85	.58	Mining Corp.	1,600	1.20	1.30	1.11	1.15
1	.08½	.01½	Moffatt Hall	14,000	.01½	.01½	.01½	.01½
1	.02½	.02	Moneta	.....	.02	.....	.....	.....
1	.45	.19½	Moss	3,600	.20	.21	.20	.20
1	.02½	.00½	Murphy	10,000	.00½	.00½	.00½	.00½
No	.06½	.01	Newbec	8,800	.05½	.05½	.04½	.05
5	1.48	.50	Nipissing	500	1.15	1.15	1.06	1.06
No	23.25	12.50	Noranda	13,915	21.00	21.50	19.90	20.35
No	.39	.10	Nor. Canada	3,200	.27	.30	.27	.28
	.75	.65	Northern Metals	200	.75	.65	.65	.65
No	.01	.00½	Old Colony	1,000	.00½	.00½	.00½	.00½
1	.09	.05	Osisko	.....	.06	.....	.....	.....
1	.17	.07	Parkhill	5,100	.11	.12½	.11	.12
1	.13½	.11	Patricia Dent	.....	.13	.....	.....	.....
1	.02	.01	Pawnee Kirk.	3,000	.01½	.01½	.01½	.01½
No	1.25	.35	Pend Oreille	1,400	.60	.60	.58	.60
1	.01½	.00½	Peterson Cobalt	.....	.00½	.....	.....	.....
1	4.94	3.00	Pioneer Gold B.C.	18,325	4.75	4.94	4.65	4.75
1	.00½	.00½	Porcupine Crown	.....	.00½	.....	.....	.....
1	.02	.00½	Potter Doal	.....	.00½	.....	.....	.....
1	.12	.12	Powell Rouyn	.....	.12	.....	.....	.....
1	.75	.32	Premier Gold	3,910	.59	.62	.58	.62
1	.01	.00½	Preston E. Dome	.....	.01	.....	.....	.....
No	1.31	.15	Prospectors Air's.	7,550	1.00	1.31	.99	1.30
No	1.00	1.00	Quebec Pros.	.....	1.00	.....	.....	.....
No	.10	.03	Quemont	1,500	.04	.05½	.05	.05
1	.02½	.00½	Ribago	106,800	.01	.01½	.01½	.01½
1	.02½	.01	Ritchie	.....	.01	.....	.....	.....
1	.02½	.00½	Robb Montbray	1,000	.01	.01	.01	.01
1	.70	.25	San Antonio	5,549	.65	.65	.63	.65
1	.09	.07½	Seven Troughs	.....	.07½	.....	.....	.....
1	.77	.18	Sherritt Gordon	10,131	.40½	.41	.37	.37
1	1.00	.50	Siscoe	38,815	.88	.89	.81½	.82
1	.07½	.00½	South Keora	52,000	.06½	.07½	.06½	.07½
No	.02½	.00½	Stadacona	30,600	.01½	.02	.01½	.01½
1	.17	.05	St. Anthony	500	.06	.08	.08	.08
No	.90	.16	Sudbury Basin	3,800	.60	.62	.55	.60
1	.02½	.00½	Sudbury Contact	.....	.02½	.....	.....	.....
1	.01	.00½	Sudbury Mines	.....	.00½	.....	.....	.....
1	.22	.07	Sullivan	5,700	.14	.14½	.14	.14
1	.87	.39	Sylvanite	17,310	.72	.73	.68	.69½
1	.07	.01	Tashota	118,600	.02	.03½	.02	.02½
	.14	.12	Tashota Goldfield	4,000	.....	.14	.12	.14
1	5.25	3.05	Teck Hughes	29,820	3.54	3.66	3.50	3.53
1	.07½	.02	Thom Cadillac	1,500	.05	.04	.04	.04
1	.40	.10	Towagmac	1,500	.12	.15	.12	.15
1	3.00	1.00	Treadwell	50	1.00	1.10	1.10	1.10
1	.09½	.02	United Kirkland	5,000	.05	.03½	.03	.03½
1	.12	.00½	Vacuum Gas	17,000	.06½	.07½	.06	.06
No	1.10	.16	Ventures	10,410	.72	.72	.66	.70
1	.18	.04	Vickers	.....	.12	.....	.....	.....
1	.45	.20	Vipond	950	.20	.21	.20	.20
No	1.01	.25	Waite Ackerman	500	.41	.40	.40	.40
1	.08	.01	White Lake	.....	.04	.....	.....	.....
1	.01	.00½	Wiltsey Coughlan	.....	.01	.....	.....	.....
	.10	.04½	Wood Kirkland	6,500	.05	.06	.05½	.06
No	2.35	2.09	Wright-Hargreaves	58,217	3.05	3.35	3.00	3.29
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	11,700	.09½	.10½	.09½	.10
1	1.17	.60	Ajax	3,300	.70	.72	.70	.72
1	.18	.04½	Alta. Pacific	1,000	.09	.09	.09	.09
1	.03½	.02	Askalta	.....	.03½	.....	.....	.....
No	.20	.02	Associated	2,100	.07	.07	.07	.07
No	.09	.01	Baltac	6,000	.02½	.02½	.02	.02
	.05½	.00½	Benton	.....	.00½	.....	.....	.....
1	.05	.02½	Brit. Dominion	.....	.03½	.....	.....	.....
No	.60	.14	Calgary & Ed.	90	.35	.30	.30	.30
1	.15	.04	Calmont	1,300	.05	.05	.05	.05
1	.14	.03	Common. Pete	.....	.06	.....	.....	.....
No	.40	.08½	Dalhousie	1,000	.16	.16	.15	.15
No	.01	.01	Devenish	.....	.01	.....	.....	.....
No	.02	.00½	Dome Oil	.....	.00½	.....	.....	.....
No	.16	.04	East Crest	300	.06	.06	.06	.06
No	.01½	.01	Fabyan Pete	.....	.01½	.....	.....	.....
No	.25	.05	Foothills	.....	.15	.....	.....	.....
No	.03½	.02	Freehold	.....	.02	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.06½	.03	Hargal	.....	.03	.....	.....	.....
No	.05	.02	High Sarcee	.....	.02	.....	.....	.....
No	.85	.15	Home	650	.35	.35	.30	.34
No	.25	.01½	Homestead	.....	.01½	.....	.....	.....
1	.50	.09	Homestead O & G.	64,900	.19	.19½	.17½	.18½
1	.01	.00½	Illinois Alberta	.....	.00½	.....	.....	.....
No	.02½	.00½	Lethbridge	.....	.00½	.....	.....	.....
No	.10	.04	Lowery	.....	.10	.....	.....	.....
No	.02	.00½	Madison	.....	.00½	.....	.....	.....
1	.32	.05½	Mayland	400	.17	.15	.15	.15
No	.04	.01½	McD. Segur Ex.	.....	.01½	.....	.....	.....
1	.04½	.01	McD. Segur N.	.....	.01	.....	.....	.....
1	.50	.18	McLeod	.....	.18	.....	.....	.....
No	.10½	.06½	Mercury	.....	.07½	.....	.....	.....
No	.22	.04½	Merland	.....	.15	.....	.....	.....
No	.15	.08½	Mill City Pete	.....	.08½	.....	.....	.....
1	.20	.12½	Model	.....	.13	.....	.....	.....
1	.05	.04	Monalta	.....	.05	.....	.....	.....
1	.07	.03	Moose Mountain	.....	.03	.....	.....	.....
1	.01	.01	New Federal	.....	.01	.....	.....	.....
5	.14½	.01	Nordon	87,850	.08½	.14½	.09½	.14
No	.06	.02½	Oil Selection	5,100	.03	.03½	.02½	.02½
No	.05	.02½	Okalta	.....	.03	.....	.....	.....
100	15.00	15.00	Do., Pref.	.....	15.00	.....	.....	.....
No	.32	.09	Olga Gas & Oil	3,900	.19	.19	.17½	.19
No	.20	.02	Penn. Pete	112,050	.04½	.05½	.03½	.05
No	20.00	20.00	Perfection Pete, Pfd.	.....	20.00	.....	.....	.....
1	.28	.12	Petrol Oil & Gas	8,200	.18	.19	.17	.17
No	.14	.08	Ranchmen's	.....	.09	.....	.....	.....
1	.01	.00	Regent	.....	.01	.....	.....	.....
No	.02½	.01	Richfield	.....	.01	.....	.....	.....
No	9.85	3.95	Royalite	95	8.40	8.25	8.00	8.25
1	.29½	.05	Sarnia Oil	14,100	.08	.12	.06	.12
1	.03	.01	Signal Hill	.....	.01	.....	.....	.....
No	.12	.05	South West Pete	100	.06	.08	.08	.08
1	.20	.10	Spooner	.....	.15	.....	.....	.....
No	.21	.05½	Sterling Pacific	.....	.11	.....	.....	.....
1	.11	.07½	Turner Valley	.....	.07½	.....	.....	.....
No	.08	.03	United	.....	.03	.....	.....	.....
1	.09½	.03	Vulcan	.....	.03	.....	.....	.....
No	.02½	.00½	Wainwell	.....	.01	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to November 29)					
25c	.00½	.00½	Bayview	.....	.00½	.....	.....	.....
20c	.05½	.02	Beaver Silver	5,000	.02½	.02½	.02	.02½
25c	.04	.01	Bluebird	.....	.01	.....	.....	.....
No	.92	.50	Bralorne	4,575	.69	.92	.68	.92
1	.12	.04	Bridge River Cons.	7,500	.04½	.05	.04½	.05
25c	.01½	.01	Cork Province	.....	.01	.....	.....	.....
1	.13	.02	Cotton Belt	.....	.02	.....	.....	.....
1	.01½	.01½	Dalhousie Mines	.....	.01½	.....	.....	.....
1	1.00	.15	George Copper	.....	.46	.....	.....	.....
50c	.02	.01	Geo. Enterprise	.....	.01	.....	.....	.....
1	.05	.01	Georgia River	23,500	.02½	.02½	.02½	.02½
1	.35	.10	Golconda	.....	.16	.....	.....	.....
50c	.08	.02	Grandview	500	.03½	.03½	.03½	.03½
1	.01	.00	Independence	.....	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	.....	.01	.....	.....	.....
1	.15	.08	Inter. Coal	300	.15	.15	.15	.15
1	.21	.21	Jack Waite	.....	.21	.....	.....	.....
25c	.00½	.00	Kootenay King	.....	.00½	.....	.....	.....
10c	.04	.01	Lucky Jim	.....	.01½	.....	.....	.....
5c.	.12	.04	Metaline Metals	.....	.06	.....	.....	.....
1	.03	.00	Morton Woolsey	.....	.01½	.....	.....	.....
50c	.03½	.00	National Silver	26,000	.01½	.01½	.01½	.01½
50c	.08½	.02	Noble Five	6,000	.03½	.03	.03	.03
50c	.01	.00½	Oregon Copper	.....	.00½	.....	.....	.....
1	4.75	3.00	Pioneer Gold	1,225	4.65	4.75	4.50	4.65
50c	.08½	.02	Porter Idaho	4,500	.04	.04	.04	.04
No	.01	.00	Premier Border	.....	.00½	.....	.....	.....
No	.35	.07½	Reeves McDonald	.....	.18	.....	.....	.....
1	.63	.21½	Reno Gold	26,500	.58	.61	.57	.59
1	.02½	.00½	Rufus Argenta	.....	.00½	.....	.....	.....
1	.05	.02	Ruth Hope	.....	.02	.....	.....	.....
1	.05	.02	Silverado	.....	.05	.....	.....	.....
25c	.02½	.01	Silver Crest	.....	.01	.....	.....	.....
50c	.02½	.00½	Snowflake	3,000	.00½	.00½	.00½	.00½
1	.79	.25	Sunloch	.....	.25	.....	.....	.....
No	.06	.05	Vanalta Oil	2,200	.06	.06	.05	.06
20c	.02½	.01	Wellington	.....	.01	.....	.....	.....
1	.06½	.00½	Whitewater	.....	.04	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %
Ajax Oil	12c.	....
Coniaurum	3c.	....
Dome Mines	$1+10c.	7.90
Hollinger	65c.+10c.	13.51
Howe Sound	40c.	....
Lake Shore	$2+$1	8.92
McIntyre	$1.50	6.38
McLeod Oils	5c.	....
Merland Oils	2½c.	....
Noranda	60c.	....
Petrol Oil	1c.	....
Premier	12c.	19.35
Pioneer, B.C.	24c.	5.05
Royalite	$1.50	....
Siscoe	3c.	....
Sterling Pac. Oil	2½c.	....
Sylvanite	4+1c.	7.19
Teck Hughes	60c.	17.00
Wright-Har.	10+5c.	4.55

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WALTER F. WATKINS, Secretary.
Toronto, November 23rd, 1932.

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Canadian Mining News

WRIGHT-H. MINES DECLARES BONUS 1932 TOTAL 20c

Scant Depreciation Policy Fails to Meet Accepted Standards

Directors of Wright-Hargreaves Mines have announced the declaration of the regular quarterly dividend of 2½ cents per share plus a cash bonus of 5 cents a share, both payable in United States funds on Jan. 2, 1933, to shareholders of record December 15.

The total disbursements paid during the calendar year 1932 were 17½ cents per share, while the dividend just announced will make the total disbursements 20 cents a share paid for 1932 in United States funds or a distribution of $1,100,000 as compared with $825,000 in 1931.

The company's earnings are on the highest level in its history and indications are that the value of the 1932 production, including exchange compensation, will be close to $4,200,000 with a net profit close to $2,200,000, equivalent to 40 cents a share as compared with 21 cents a share earned in 1931.

In the past it has not been the policy of the company to be as liberal with its write-offs for plant depreciation as similarly situated gold mining companies. Initially the plant equipment was shown at $259,866 when operations were started in 1921 with a mill of 150 tons daily capacity. Gradually milling facilities were increased until in 1932 an average of approximately 800 tons daily was treated. At the end of 1931 the plant was carried at a book value of $1,644,435, yearly additions involving capital expenditures having been made since 1921.

After 12 years of operations $614,353 have been written off for plant depreciation, or approximately 37½ per cent of the initial cost plus additions. The investor is somewhat confused about the company's depreciation policy because the mill is now in the process of complete rehabilitation, involving a planned expenditure of close to $550,000. This rehabilitation will increase the capacity to 1,000 tons daily. Inasmuch as the superstructure and many parts of the old mill are now known to be urgently needing rehabilitation it becomes more difficult to understand why greater depreciation write-offs were not made from the company's earnings.

For the past four years the annual amounts for depreciation of plant written off have been under five per cent with the greatest annual write-off about 13 per cent in 1925.

Tailings

Next spring the Omineca district of British Columbia will have three of the largest placer gold mining operations in British Columbia. These operations are all located near Slate Creek and will be conducted by the Consolidated Mining & Smelting Co., the Omineca Placers Ltd., and the Germansen Placers, Ltd.

The Consolidated Smelters will operate a steam drag line, the Omineca Placers also is making ready a steam drag line for spring operations, while the Germansen Placers will operate a hydraulic

* * *

Prospects are bright at the gold property of the Meridian Mining Co. at Camborne, Alardeau mining division of British Columbia, according to A G. Langley, M.E., consulting engineer for the company. The Meridian owns 32 claims and is installing an 800 h.p. hydro-electric plant and compressor plant as well as a commodious camp building in order to carry out development work through the winter.

Nearly 7,000 ft. of underground work have been done in former years and the present programme is not to prospect, but rather to block out proven ore through the driving of a main working adit.

* * *

At the gold prospect of Big Slide Mining & Development Co., at Kelly Creek on Fraser River. 25 miles north of Lillooet, British Columbia, shaft sinking is continuing and is currently at a depth of 70 ft. Here the ore is said to average $30 in gold over a width of four ft.

* * *

In the two full fiscal years since the province of Alberta acquired its natural resources, and covering the period of October 1, 1930, to September 30, 1932, petroleum output was 2,567,580 barrels of which 2,458,940 barrels were naphtha from the Turner Valley field. Gas consumption during the two years for both industrial and domestic purposes was 36,276,993 thousand cubic ft.

* * *

John E. Hammell. president of N.A.M.E. has corrected erroneous reports emanating from Winnipeg to the effect that he is interested in the Gods Lake area. Some time ago he acquired options on claims in that district but after sampling they were dropped and Mr. Hammell states that he is no longer interested in the district.

* * *

According to A. E. Bull, secretary of Pioneer, ore reserves have been increased in the past quarter due to richer ore at depth and everything at the mine and mill are in satisfactory condition. Gold production at Pioneer for the six months ended September 30, this year was $725,000 in round figures.

* * *

As evidence of the mining activities in the northern part of British Columbia in the vicinity of Atlin, it is interesting to note that October shipments of gold amounted to 1,028 ounces as compared with 8,384 ounces for all of 1931.

The Atlin area is British Columbia's largest placer gold producing section and indications are that 1932 production will substantially exceed that in 1931.

* * *

Reports from Oliver, B.C., state that a gold mine is in the making at Fairview. While developments have been in a small way, they have been so encouraging that it is expected that the property will be placed on a production basis in the near future.

Quebec Mines Output Gains

Statistics prepared by the Quebec Bureau of Mines concerning mineral production for the month of October, indicates a considerable increase in production of gold and silver. The production of gold was 29,269 ounces, compared with 25,783 ounces last year and silver 53,105 ounces.

Teck-Hughes Estimates On Conservative Basis; Work May Improve Value

Management Considers Actual Development in Estimating Ore

WARY OF ESTIMATES

Drifting Gives But Little Clue to Ultimate Ore Developments Avers Dr. Forbes

Further interpretations of the statements given shareholders of Teck-Hughes Gold Mines at the annual meeting two weeks ago were made to The Financial Post by Dr. D. L. H. Forbes, president of the company, who remains optimistic but cautious in presaging the possibilities of ore developments at depth.

It was learned that the company pursues a most conservative policy with respect to estimating ore reserves in that when drifting in ore on various levels not more than six ft. is allowed above and below the drift, unless raises have been put up. In sampling, values are taken only from the backs and breasts of the drifts—none from the floor. It will be noted that in 3,388 ft. of drifting on the lower block of levels from the 30th to the 40th, an average of $9.30 was given over a width of 8.6 ft., which was somewhat higher than the grade estimated a few weeks previous in an official statement. This was explained as being due to subsequent development showing greater lengths of ore shoots and as has been characteristic of the mine, the ore shoots with the best lengths have for some unexplained reason had the highest values. Thus in the few weeks elapsing between statements the extended development appreciably improved the average grade. Another encouraging factor is that as ore is blocked out the value of the ore is materially increased due to longer ore shoots carrying the higher values. From this experience, Dr. Forbes deduces that when stoping takes place in these lower levels it is not unlikely that ore of higher grade will be mined than has been indicated by drifting.

100,000 Tons Per Level

The technical estimate of ore reserves given as 626,489 tons on Sept. 1, 1932, did not include any appreciable ore below the 30th or the lowest level to be presently developed, according to Dr. Forbes. This ore is distributed from the tenth, the lowest level completely exhausted, to the 30th level. This indicates that the mine has or will produce a total of 2,881,995 tons of ore averaging about $14.70 per ton above the 30th level. This is an average of about 100,000 tons per 125 ft. level.

In pressing Dr. Forbes for his interpretation of probable significance of the 3,388 ft. of ore reported on the lowest block of ten levels another angle of his conservative nature became evident. "It would be extremely dangerous," he said, "to attempt to interpret this lineal length of ore in tons. You are working in three dimensions with the drift height known only. In the 125 ft. between levels it is possible for the ore shoot to swell to greatly increased widths and to broaden in length; it is also possible that where the ore was cut in the drift it was the apex of an ore shoot; therefore until raises are put up it is dangerous to try and estimate the possible ore."

Another factor to be dealt with, that the management has learned from past stoping operations is that often fractures project out into the footwall but more often into the hanging wall side of the vein. Following up these fractures frequently yields substantial amounts of ore. A recent case was in the foot wall of the vein on the 35th level. At the annual meeting shareholders were told that a parallel fracture had been followed for a length of 125 ft., averaging $12.43 per ton over an average width of 12.4 ft. The Financial Post can say that this has been materially lengthened since that time. So it goes, as development proceeds. A nearly right-angled fracture, a parallel fracture or a swelling or broadening ore shoot completely changes the picture of the possible ore indicated by drifting.

Outlook Uncertain

Dr. Forbes does not try to conceal the fact that the ore outlook is not as reassuring at the present time as it has been in the past but he is consoled by the fact that geology of the rocks still remains favorable and conducive to ore deposition. This is one of the accepted risks attendant on mining. If it were not for these uncertainties the value of gold mines could be closely appraised such as is the case in the South African gold mines.

It was anticipated that as greater depths were reached mining costs would go up. As a matter of fact, costs this past year were the lowest in the company's history, despite the deeper workings. The cost of deeper mining has been offset by new economies introduced in other phases of operations.

At the present time sinking is proceeding toward an immediate objective of 6,700 ft. vertical depth. It has been found more economical to open up a block of levels at one time than to deepen the workings from level to level. When this objective is reached it will make gold mining at this mine some 1,300 ft. deeper than the presently deepest working of the Kirkland Lake Gold Mining Co. At this depth it is not foreseen that any problems will be presented that cannot be overcome; in fact Dr. Forbes foresees nothing in the way of carrying operations to an ultimate depth of 10,000 ft.

Dr. Forbes Holdings Intact

It is interesting to know that while the present Teck-Hughes ore situation is disconcerting to many shareholders for the bearing it has on earnings and consequently dividends, it has not deterred Dr. Forbes from exercising his options on treasury shares of the company at higher than market prices. During the past six years Dr. Forbes has taken up 10,000 shares annually, the last in January this year at $4 per share. Shares of the company were selling at that time around $5.25 each. Dr. Forbes' holdings total some 46,000 shares. He avers he has not sold a share of his Teck-Hughes holdings in the past two years.

Directors Not Selling

At the annual meeting Albert W. Johnston, chairman of the board of directors, repeated that he had not sold a share of his holdings and it was confirmed that the shares of the Dennison estate were still intact. These facts are reassuring to shareholders who have seen their investments gyrate in the market to levels that have made the yield the highest of any of the Ontario dividend-paying gold mines.

The present advance in the market price of Teck-Hughes shares is attributed to a sympathetic trend with other leading gold stocks, but what prompted this concerted general advance is not satisfactorily explained.

Prospectors in N.W.T. Form An Association

Prospectors and mining men who are hibernating at Great Bear Lake, N.W.T., have organized the Northwest Territories Prospectors Association and have sent by wireless their felicitations to the Ontario Prospectors Association.

J. B. St. Paul has been elected president of the new association which was organized to promote the interests of mining in this, Canada's newest mining district.

Russia Plans $225,000,000 Gold Output

According to the press of Soviet Russia its gold production in the fourth year of its first five-year plan was about 52,000 kilograms valued at the equivalent of about $38,000,000. This production is said to be in excess of that in the prewar period.

An ambitious gold-producing programme has been drawn up for the second five-year period, which calls for gold output in 1937 equivalent to the present production of South Africa or about $225,000,000. In order to reach this result it is proposed that the industry will be provided with 150 large dredges, 53 new plants for treating lode gold and 144 amalgamating plants as well as hundreds of small dredges.

This programme is instituted in conjunction with a large scale geological prospecting plan. It is further intended to encourage the rapid development of the gold mining industry by relieving it of all general and local taxation and assessing taxes amounting to 5 per cent of the value of the output.

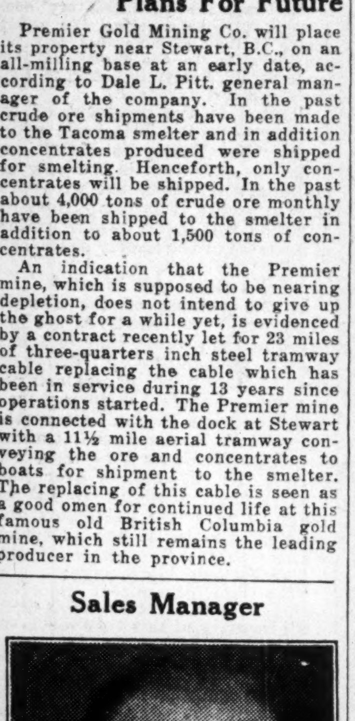
The ambitious plan of the Soviet States is being watched with a great deal of interest. The providing of the physical equipment for treating the gold presents no unduly difficult problem, but whether or not an increased gold output will result from increased facilities is to be determined.

Premier Gold Mine Plans For Future

Premier Gold Mining Co. will place its property near Stewart, B.C., on an all-milling base at an early date, according to Dale L. Pitt. general manager of the company. In the past crude ore shipments have been made to the Tacoma smelter and in addition concentrates produced were shipped for smelting. Henceforth, only concentrates will be shipped. In the past about 4,000 tons of crude ore monthly have been shipped to the smelter in addition to about 1,500 tons of concentrates.

An indication that the Premier mine, which is supposed to be nearing depletion, does not intend to give up the ghost for a while yet, is evidenced by a contract recently let for 23 miles of three-quarters inch steel tramway cable replacing the cable which has been in service during 13 years since operations started. The Premier mine is connected with the dock at Stewart with a 11½ mile aerial tramway conveying the ore and concentrates to boats for shipment to the smelter. The replacing of this cable is seen as a good omen for continued life at this famous old British Columbia gold mine, which still remains the leading producer in the province.

Sales Manager



C. E. MACDONALD, newly appointed sales manager for the Canadian Nickel Products Ltd., distributing subsidiary for the nickel products of The International Nickel Co. of Canada, in the Dominion. Mr. Macdonald has been connected with the nickel industry for many years, more recently as manager of the Toronto office, a position he will continue to fill.

KIRKLAND HUDSON PROBES DERRAUGH GROUP IN SWAYZE

Surface Ore Lends Interest to Promising Find

The Derraugh group of claims in Denyes township, Swayze area, Ontario, has been optioned to the Kirkland-Hudson Bay Gold Mines and a party of 12 has been sent to prospect the property.

The Derraugh find is regarded by engineers and geologists who have inspected it as being one of the most promising prospects in this new area, which has steadily taken on importance since the pioneer find made 15 months ago by Kenty brothers. The Derraugh find was staked by the Derraugh brothers working for a private syndicate comprising principally members of the Lake Shore Mines engineering staff. Kirkland-Hudson Bay optioned it on favorable terms and it is to be aggressively developed to determine its potentialities.

Promising Lenses Exposed

Surface work has uncovered a series of lenses of ore in a north-south break. These lenses measure up to 13 ft. in width and carry high values in gold. To date about 700 ft. of the break has been exposed by trenching and surface stripping. The break occurs about 300 ft. west of the westerly boundary of the holdings of the Dome Mines. Indications are that the vein dips about 80-85 degrees to the east.

Some time ago The Financial Post was officially advised that Lake Shore Mines had acquired Harry Oakes' holdings of Kirkland Hudson Bay Mines shares. At that time it was intended that these shares would be immediately transferred to Lake Shore on the basis of 50 cents per share. Owing to other plans pending the transfer of these shares has been held up but in effect Lake Shore owns control as it is known that Mr. Oakes is acting as an intermediary for Lake Shore.

Toronto Mining Men to Hear K. S. Twitchell

The experiences of a Canadian mining engineer in introducing modern engineering practice to the nomadic tribes of southwestern Arabia will be related and illustrated by motion pictures to the Toronto branch of the Canadian Institute of Mining & Metallurgy on December 12, at the Royal York Hotel by K. S. Twitchell. M.E., a graduate of Queens University. Through the philanthropy of a United States industrialist, Mr. Twitchell has been showing King Ibn Saoud and King Imam Yahiya of Yemen, how to improve their domains and develop their natural resources according to the ideas of Western civilization. Part of this area was the rendezvous of Lawrence, whose exploits in recruiting the support of the Bedouin tribes in the Great War for the British, played such an important part in the rout of the Turks.

Mr. Twitchell's activities included irrigation projects, the making of experimental gardens and the building of roads. Moreover, these people had to be taught how to operate road making machinery and other equipment.

Was Formerly Fertile

The domain of Imam Yahiya forms a corner in the extreme southwesterly section of Arabia, extending from Shekd Said, at the outlet of the Red Sea into the Arabian Gulf, northwest into the Dahma desert. A lowland strip 20 to 30 miles wide skirts the western and southern coasts and extends to the mountainous region.

The natural resources include placer gold. Drilling was undertaken and demonstrations given which would enable these people to search for and develop not only gold but oil, salt and other resources which appeared to exist.

The rehabilitation of these sections, which once supported a large population, is expected by restoring irrigation. According to tradition the great dam at Marib was built under instruction of the Queen of Sheba. Its bursting in the second century is said to have brought about abandonment of the region to a large extent.

Bidgood Mines Makes Voluntary Assignment

Bidgood Consolidated Mines has made a voluntary assignment and Russell R. Grant has been named custodian of the company's affairs. The liabilities of the company, according to the statement filed with the official receiver, are $30,456.

For several months past the directors of the company have been endeavoring to raise funds and thus prevent bankruptcy proceedings and some months ago J. E. Grant was retained to report on the property and make recommendations. His advice was to install a small mill to treat the known ore and continue exploration.

The bankruptcy proceedings, it is said, will not alter the plans of the directors in their endeavor to refinance the company and undertake the programme recommended.

Vansom Gold Mines Formed, Is San Antonio Neighbor

The Vansom Gold Mines has been incorporated to develop the Vansom claims one and a half miles north of San Antonio Gold Mines in the Central Manitoba area. The claims were staked some years ago but it was not until this year that a find was made. Two surface veins about 5 ft. apart and of narrow width were explored by a shaft down to a depth of 52 ft. At this point the two veins widened to 3½ and 4½ ft. respectively and were separated by 10 inches of green stone, showing commercial values over a total width of approximately nine ft. at the bottom of the shaft. Ten tons of ore were mixed and quartered down to four 100 lb. samples, which are reported to have averaged $28 per ton. It is now proposed to continue the shaft to a depth of 100 ft. and open up the property at that level. About $23,000 has been spent on development to date.

Ontario Metals Output $47,976,638 in 9 Months

Gold Production Increases 11 Per Cent But Nickel Output Down 50 Per Cent—Copper a Big Factor

The nine months report by the Ontario Department of Mines shows the metallic mineral production to have declined to $47,976,638 as compared with $55,395,815 for the corresponding period in 1931. Gold production has increased about 11 per cent, but nickel, the next most important metallic mineral, has declined over 50 per cent.

The following tabulation shows comparative figures for the nine months period of 1931 and 1932:

Ontario's Metallic Production—Nine Months 1931 and 1932

Product		Quantity 1931	Quantity 1932	Value $ 1931	Value $ 1932
Gold	oz.	1,526,887	1,689,381	31,563,559	34,922,598
Silver	oz.	5,111,504	4,769,532	1,420,118	1,510,085
Platinum metals	oz.	44,988	41,762	1,322,979	1,363,075
Copper, metallic, & in ores exported	tons	42,972	22,876	7,398,157	3,084,188
Copper in matte exported*	tons	4,095	5,832	491,403	466,539
Nickel in matte exported	tons	14,831	22,876	12,618,435	6,236,846
Nickel, metallic	tons	11,861	6,113		
Nickel content of oxides salts & residues	lb.	2,335,396	1,276,647		
Selenium	lb.	12,200	....	23,180	....
Cobalt, metallic & metal content of oxides, salts & unseparated oxides	lb.	418,505	337,859	509,085	383,517
Bismuth	lb.	7,331	10,939	7,331	8,204
Lead, pig & in concentrates exported	lb.	972,388	60,955	41,568	1,586
Total				55,395,815	47,976,638

* Copper in matte valued by the Department at 6 cents per pound in 1931, and at 4 cents in 1932.

Parkhill Mill To Be Doubled, 100 Tons Daily

Following a record quarter, with production of $47,929 in gold for the three months ended September 30, 1932, Parkhill Gold Mines continues to report encouraging progress and an official announcement states the present 50 ton, daily capacity mill will be stepped up to 100 tons daily by January 15, 1933.

During the past two months several previously unexplored areas on and above the fourth level have been developed, which substantially increased the ore reserves. With the increased mill capacity it is expected that mill heads of around $15 a ton will be maintained. The shaft has been deepened to the fifth level or a depth of 625 ft. and is being continued to an immediate objective of 730 ft. or the sixth level. It is expected that early in 1933 the sixth level will be opened up and from this horizon it is proposed thoroughly to explore the whole length of the main break, traced on the surface for approximately 3,900 ft.

Good Ore on Lowest Level

Cross cutting south from the fifth level station was started early in November. The No. one vein was picked up about 24 ft. south of the shaft. The No. two vein was encountered about 72 ft. south of the shaft. At the point of intersection the No. one vein did not show good values or width, nor was this expected as the upper levels on this section of the vein also showed less values. Rich ore, however, was found in drifting west from the crosscut. The No. two vein was intersected at a point showing heavy mineralization and free gold, of which 30 tons averaged $32.90 per ton over drift width. The vein is said to be strong in both east and west faces indicating a substantial tonnage of high grade ore. Picking up the No. two vein at that particular point evidenced a downward continuity of the rich sections found on the levels above.

BRIDGE RIVER AREA IS NOW MAJOR CAMP

Pioneer and Bralorne Mines Bring Old B. C. Area to Fore

The Bridge River area of British Columbia is showing up in a bright and encouraging manner, according to George A. Clothier, resident engineer of the British Columbia Department of Mines, who recently returned to Vancouver after completing his summer season in the Bridge River area. Already there are two producers in this section, the Pioneer Gold Mines and the Bralorne, formerly known as the Lorne Mines. In addition, there are several groups under development which will come in for a greater share of exploration next year.

Regarding operations at the Pioneer mine, Mr. Clothier states two new veins have been encountered, adding materially to Pioneer ore reserves.

On the Bralorne, Mr. Clothier adds, work is well planned and carried out with most encouraging results. Good ore bodies have been developed in upper levels. The company has a large amount of ground for future exploration.

Much improvement was noticed by the government engineer at the Pioneer mine. These include new buildings. Underground the various levels along the vein have been extended, especially on the 1,000-foot level. where the ore body has been exposed continuously for 1,800 feet. The first new vein was struck near the surface, and the second just above the 1,000-foot level. Neither has been developed as yet.

Pioneer Enlarges

Pioneer gold output, which has been running about $65,000 to $75,000 per month, was recently increased by the additions to the mill, bringing the possible daily tonnage from around 100 to some 300 tons. These improvements will increase production proportionately.

Just north of and adjoining Pioneer lies the Bralorne mine, formerly the Lorne. The Dunwell mill from Portland Canal is working successfully on the Bralorne. It is in steady operation on mill feed ore running from $15 to $20 per ton.

The shaft on the Bralorne, according to Mr. Clothier, has been sunk on the King vein two levels below the main eighth level and further sinking will be undertaken. Upper levels show good ore bodies. Mr. Clothier considers the Bralorne has outstanding possibilities and already has made a fine production record since the mill was started last February.

Bridge River Ex. Busy

Three of the properties of Bridge River Exploration Ltd. have been developed during the season—Why Not, Forty Thieves and Arizona. Work at present is being carried out on the California vein which Mr. Clothier says is consistent in gold values.

Mr. Clothier visited Red Hawk, Royal, Dan Tucker, Pioneer Extension and other groups, on all of which encouraging work has been done. Good showings are expected on the first three while on the Pioneer Extension much ground sluicing has been done and some values have been obtained. The ground-sluicing on the Pioneer Extension has been enormous for the amount of time consumed. Mr. Clothier points out it is an example of the great power of a small amount of water in shifting overburden.

Prospecting Active

Bridge River district this year has been the scene of much prospecting, Mr. Clothier adds. A number of new trails have been built and old ones extended. The old trail from Pioneer mine to the summit between Cadwallader and McGillivray creeks has been continued, making a through trail from Anderson Lake on the Pacific Great Eastern Railway to Pioneer mine.

During the season many claims were staked and exploration has disclosed that the augite-diorite belt is more extensive than appeared on early geological maps. Heavy overburden obscures the formation and is a handicap to prospectors. This makes ground-sluicing necessary in many instances. It was by this method that Red Hawk and Royal showings were exposed. The largest ground-sluicing operation during the season was carried out on Pioneer Extension.

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

Production of Leading Minerals in Canada

		July 1932	August 1932	Eight Months Ending August 1931	Eight Months Ending August 1932
Asbestos	tons.	(x)7,164	9,918	106,755	72,539
Cement	brls.	457,246	510,097	6,768,179	3,274,990
Clay products	$	375,111	385,729	5,295,544	2,896,120
Coal	tons	650,807	724,599	7,496,414	7,074,959
Copper	lb.	18,090,417	17,604,802	198,614,220	165,565,976
Feldspar	tons	635	360	12,310	5,217
Gold	fine oz.	247,894	262,590	1,731,095	2,011,304
Gypsum	tons	80,144	69,462	560,390	286,481
Lead	lb.	20,053,383	21,798,529	189,633,938	169,037,624
Lime	tons	27,185	27,733	232,652	215,391
Natural gas	M cu. ft.	981,700	911,982	17,235,106	16,412,067
Nickel	lb.	2,959,231	840,492	50,614,752	24,962,509
Petroleum	brls	86,969	85,229	1,177,060	737,767
Salt (commercial	tons	13,869	14,331	104,382	107,789
Silver	fine oz.	1,825,238	1,447,299	14,585,112	12,480,067
Zinc	lb.	15,206,916	13,732,634	173,586,704	118,004,699

(x) Revised.

Harry Oakes Buys Control of Minaker

Control of the Minaker Kirkland Gold Mines now rests with Harry Oakes, president of Lake Shore Mines, The Financial Post is advised by interests closely associated with Mr. Oakes.

The Minaker property consists of four claims immediately adjoining Lake Shore on the south. For some time it has been known that Harry Oakes was interested in these claims in order to protect the possible Southern extension of the Lake Shore ore zone at depth. At present the property has no known importance but if the veins on Lake Shore should dip to the south to the extent that they do on the Teck-Hughes property, these claims would take on great importance.

B. C. GOLD OUTPUT AT RECORD LEVEL, HIGHER NEXT YEAR

1932 Production is Estimated at Close to $4,000,000—Placer Gold Up

From Our Own Correspondent

VANCOUVER.—One of the bright spots in Canada's gold minnig picture this year is the production record of British Columbia. The year's gold output is estimated to exceed $4,000,000, and the output of both lode and placer gold will set a new high mark for recent years.

Lode increased 26 per cent this year over the 1931 figure and it is estimated at $3,800,000. A still higher yield is anticipated for 1933 as a result of the progress being made at several of the higher producing mines. The situation is described by John D. Galloway, provincial mineralogist, at the recent meeting of the Canadian Institute of Mining and Metallurgy, as most encouraging.

Pioneer, in the Bridge River country, will soon be the biggest producer of gold in the province, judging from present returns. and the official estimate is that production will soon approximate $2,000,000 a year. Premier is still the leader, and is believed to have several satisfactory years of operation ahead.

Bralorne Makes Showing

Bralorne, in the same district as Pioneer, is operating its million ore averaging about $16 a ton. The mill has a 100-ton capacity. A new ore body has been opened up on the fourth level. Reno, now tuning up following a disastrous fire, is expected to contribute a substantial amount to the province's gold production.

Probably the most interesting lode-gold development this year has been the Cariboo Gold Quartz Co. in the Barkerville district. Five years ago development was commenced on this property, but not until two years ago was a long, low-level crossing tunnel started. This tunnel is now about half way to the original objective, but it has already cut through eight veins, most of which give promise of good milling ore. A 75-ton mill will be in operation by December 15. A substantial output from this mine should result next year. Extensive ore reserves are indicated, although drifting and raising of the veins have not yet blocked out large tonnages.

In addition, there are several smaller properties that have added to the province's tonnage this year and they give promise of even better results in 1933.

Smelters is Investigating Quadra Island Radium

From Our Own Correspondent

VANCOUVER.—Consolidated Mining & Smelting Company has decided to investigate the radium-bearing ores of Quadra Island, on the west coast of British Columbia, according to officials of the company.

On the Quadra properties radium occurs with copper, which is reported to be present in commercial quantities. In the preliminary agreement with Consolidated will work on a basis of 60 per cent of the recovery.

The properties are held by Radium Explorers, Inc., consisting of a number of Vancouver business men. The radio-active ore was discovered about two years ago by the accidental means of photography. The matrix is carnotite.

Delay in development in the past has been due chiefly to an adverse clause in the Radium Act of B. C., which has now been adjusted.

Reward Bonds Property to Cariboo Gold Mines

VANCOUVER.—Gold mining properties of the Reward Mining Company in the Barkerville area have been bonded to the Cariboo Consolidated Gold Mines, Ltd., of Vancouver. The properties include seven claims in two separate locations, one on Island Mountain, adjoining the Cariboo Gold Quartz mine, said to be the most important lode development in the province this year. Another property bonded is on Proserpine Mountain, and a third near Cunningham Creek, scene of early operations.

A programme of development is now being mapped out on the ground by Mr. Stewart.

Gold Mining Again Stirs Rossland Area of B. C.

Word from Rossland indicates leases are making quite a stir. A recent strike of high-grade gold ore on the old I.X.L. created much excitement. Years ago this property was the leading free-gold property of O. K. Mountain, and that it is again under successful development is pleasing to many former residents of Rossland who are now living in Vancouver. O. K. Mountain lies just west of Rossland. Besides the I.X.L. lease other properties in the area that are being worked successfully are Midnight, O.K., Snowdrop and Gold Drip. Preparations are being made to reopen the old Norway group. Richness of some of the I.X.L. ore is shown by a recent smelter return of $11,210.70 from a shipment of 58.8 tons of ore.

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Joint C.I.M.M. Western Meet Is Big Success

The annual western joint meeting of the Canadian Institute of Mining & Metallurgy and the Mining Association of British Columbia was held last week in Vancouver. Hon. W. A. Gordon, Minister of Mines for Canada, journeyed from Ottawa to make the official opening which was presided over by Dr. John A. Allen, president of the Canadian Institute of Mining & Metallurgy, and E. J. Carlyle, permanent secretary-treasurer.

Officials of the British Columbia Division of the Canadian Institute of Mining & Metallurgy include Dale L. Tipp, president; A. G. Langley, chairman of the British Columbia Division of the Canadian Institute of Mining & Metallurgy, and J. G. Galloway, provincial mineralogist of British Columbia. Dr. Charles Camsell, Deputy Minister of Mines at Ottawa, and Hon. W. A. McKenzie, Minister of Mines of British Columbia, were speakers.

Many interesting papers were presented at the meeting, including one on Alberta oil conditions by W. Calder, in which a strong case was made for the development of crude oil production in Turner Valley, Alberta, from the higher, if limited, strata, which could be brought into production at a minimum expense. He argued that operators could make a fair return on their investments by drilling to the comparatively shallow crude oil horizons.

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